

# GEORGE COUNTY, MISSISSIPPI

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



## SHAD WHITE

STATE AUDITOR

Joe E. McKnight, CPA  
Director, County Audit Section



A Report from the County Audit Section

[www.osa.state.ms.us](http://www.osa.state.ms.us)









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

**Shad White**  
AUDITOR

November 21, 2023

Members of the Board of Supervisors  
George County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2021 financial and compliance audit report for George County. This audit was performed pursuant to Section 7-7-211(e), Mississippi Code Ann. (1972). The audit was performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

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

Respectfully submitted,

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

Shad White



GEORGE COUNTY  
TABLE OF CONTENTS

FINANCIAL SECTION.....	1
INDEPENDENT AUDITOR'S REPORT.....	3
FINANCIAL STATEMENTS.....	7
Statement of Net Position .....	9
Statement of Activities.....	11
Balance Sheet - Governmental Funds.....	13
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	14
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	15
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	16
Statement of Net Position - Proprietary Fund .....	17
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Fund.....	18
Statement of Cash Flows - Proprietary Fund.....	19
Statement of Fiduciary Net Position .....	20
Statement of Changes in Fiduciary Net Position.....	21
Notes to Financial Statements .....	23
REQUIRED SUPPLEMENTARY INFORMATION .....	47
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) – General Fund.....	49
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) – American Rescue Plan Fund .....	50
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) – Hurricane Zeta Debris Removal Fund .....	51
Schedule of the County's Proportionate Share of the Net Pension Liability .....	52
Schedule of County Contributions .....	53
Notes to the Required Supplementary Information.....	55
SUPPLEMENTARY INFORMATION .....	59
Schedule of Expenditures of Federal Awards.....	61
Reconciliation of Operating Costs of Solid Waste.....	63
OTHER INFORMATION .....	65
Schedule of Surety Bonds for County Officials.....	67
SPECIAL REPORTS .....	69
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	71
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance .....	73
Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules (Required By <i>Section 31-7-115,</i> <i>Mississippi Code of 1972 Annotated</i> ) .....	75
Limited Internal Control and Compliance Review Management Report.....	81
SCHEDULE OF FINDINGS AND QUESTIONED COSTS .....	83
AUDITEE'S CORRECTIVE ACTION PLAN AND AUDITEE'S SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS.....	89





GEORGE COUNTY

FINANCIAL SECTION

## George County

(This page left blank intentionally.)



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

**INDEPENDENT AUDITOR'S REPORT**

Members of the Board of Supervisors  
George County, Mississippi

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of George County, Mississippi, (the County) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the George Regional Health System, a discretely presented component unit, which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the George Regional Health System, a discretely presented component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

opinions.

### ***Basis for Qualified Opinion on the General Fund***

Management did not maintain adequate subsidiary records documenting the existence and valuation of fines receivable of the Justice Court or the aging of these fines receivable. Adequate subsidiary records were not maintained and preserved for the Justice Court fines receivable aging schedules at September 30, 2021. Due to the nature of the County's records, we were unable to satisfy ourselves as to the fair presentation of fines receivable, net, reported in the General Fund at \$588,959, as of September 30, 2021. Also, because of the nature of the fines receivable records, we could not satisfy ourselves as to the fair presentation of the related transactions of the General Fund.

### ***Qualified Opinion***

In our opinion, except for the effects of such adjustments, if any, as might have been determined had we been able to examine evidence to determine the net realizable value of the fines receivable reported in the General Fund as described in the "Basis for Qualified Opinion on the General Fund" paragraph, the financial statements referred to previously presented fairly, in all material respects, the financial position of the General Fund of George County, Mississippi, as of September 30, 2021, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Unmodified Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, the American Rescue Plan Fund, the Hurricane Zeta Debris Removal Fund, and the aggregate remaining fund information of George 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 and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

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

### *Supplementary and Other Information*

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

The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Reconciliation of Operating Costs of Solid Waste are the responsibility of management and were 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 Schedule of Expenditures of Federal Awards and the Reconciliation of Operating Costs of Solid Waste are 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 November 21, 2023 on our consideration of George 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 George 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 George County, Mississippi's internal control over financial reporting and compliance.



JOE E. MCKNIGHT, CPA  
Director, County Audit Section

November 21, 2023

## George County

(This page left blank intentionally.)

GEORGE COUNTY

FINANCIAL STATEMENTS

## George County

(This page left blank intentionally.)



GEORGE COUNTY  
Statement of Net Position  
September 30, 2021

Exhibit 1

	Primary Government			Component
	Governmental Activities	Business-type Activities	Total	Unit George Regional Health System
ASSETS				
Cash	\$ 18,387,016	975,057	19,362,073	34,896,054
Property tax receivable	10,163,300		10,163,300	
Accounts receivable (net of allowance for uncollectibles of \$855,185)	413,338		413,338	6,865,325
Fines receivable (net of allowance for uncollectibles of \$1,800,407)	588,959		588,959	
Loans Receivable (net of allowance for uncollectibles of \$50,000)	0		0	
Intergovernmental receivables	864,743	594,965	1,459,708	
Other receivables	45,765		45,765	281,674
Inventories				2,524,164
Prepaid expenses				686,863
Due from third-party payors				210,057
Certificates of deposit				2,823,576
Other assets				5,665,438
Capital assets:				
Land and construction in progress	2,051,991	87,674	2,139,665	2,448,519
Other capital assets, net	60,037,461	4,770,517	64,807,978	25,201,491
Total Assets	92,552,573	6,428,213	98,980,786	81,603,161
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	1,216,853	438,382	1,655,235	
Total Deferred Outflows of Resources	1,216,853	438,382	1,655,235	0
LIABILITIES				
Claims payable	760,444	90,847	851,291	
Current maturities of long-term obligations				1,440,885
Accounts payable, trade				1,333,878
Accrued salaries and wages				975,499
Accrued payroll taxes				182,560
Accrued employee benefits				735,200
Due to third-party payors				1,123,649
Medicare accelerated and advanced payment program contractual liability				2,254,812
ARPA and CARES Act deferred revenue				3,456,947
Other current liabilities				732,205
Long-term obligations, less current maturities				13,913,914
Intergovernmental payables	476,150		476,150	
Accrued interest payable	30,690	28,034	58,724	
Unearned revenue	2,406,468		2,406,468	
Other payables	86,102		86,102	
Long-term liabilities				
Due within one year:				
Capital debt	1,343,016	145,629	1,488,645	
Non-capital debt	4,949,177		4,949,177	
Due in more than one year:				
Capital debt	9,114,552	1,123,869	10,238,421	
Non-capital debt	1,341,962	58,132	1,400,094	
Net pension liability	7,642,529	2,923,120	10,565,649	
Total Liabilities	28,151,090	4,369,631	32,520,721	26,149,549

GEORGE COUNTY  
Statement of Net Position  
September 30, 2021

Exhibit 1

	Primary Government			Component
	Governmental	Business-type		Unit
	Activities	Activities	Total	George Regional Health System
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	2,434,256	867,229	3,301,485	
Deferred inflows related to leases receivable				107,937
Deferred revenues - property taxes	10,163,300		10,163,300	
Total Deferred Inflows of Resources	<u>12,597,556</u>	<u>867,229</u>	<u>13,464,785</u>	<u>107,937</u>
NET POSITION				
Net investment in capital assets	51,631,884	3,588,693	55,220,577	12,295,211
Restricted for:				
Expendable:				
General government	283,790		283,790	
Public safety	2,906,982		2,906,982	
Public works	7,012,311		7,012,311	
Culture and recreation	206,689		206,689	
Economic development and assistance	656,642		656,642	
Unrestricted	(9,677,518)	(1,958,958)	(11,636,476)	43,050,464
Total Net Position	<u>\$ 53,020,780</u>	<u>1,629,735</u>	<u>54,650,515</u>	<u>55,345,675</u>

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

GEORGE 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			Component Unit George Regional Health System
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 3,850,102	748,007	813,211	100,000	(2,188,884)		(2,188,884)	
Public safety	9,387,316	404,243	347,054	3,671	(8,632,348)		(8,632,348)	
Public works	4,254,570	661,732	1,670,702		(1,922,136)		(1,922,136)	
Health and welfare	1,096,282		946,909	13,741	(135,632)		(135,632)	
Culture and recreation	13,586				(13,586)		(13,586)	
Conservation of natural resources	39,848				(39,848)		(39,848)	
Economic development and assistance	2,282,460		73,274		(2,209,186)		(2,209,186)	
Interest on long-term debt	368,666				(368,666)		(368,666)	
Pension expense	386,933				(386,933)		(386,933)	
Total Governmental Activities	<u>21,679,763</u>	<u>1,813,982</u>	<u>3,851,150</u>	<u>117,412</u>	<u>(15,897,219)</u>		<u>(15,897,219)</u>	
Business-type activities:								
Regional Jail Fund	<u>3,547,018</u>	<u>3,557,079</u>	<u>70,585</u>			<u>80,646</u>	<u>80,646</u>	
Total Business-type Activities	<u>3,547,018</u>	<u>3,557,079</u>	<u>70,585</u>	<u>0</u>		<u>80,646</u>	<u>80,646</u>	
Total Primary Government	<u>\$ 25,226,781</u>	<u>5,371,061</u>	<u>3,921,735</u>	<u>117,412</u>	<u>(15,897,219)</u>	<u>80,646</u>	<u>(15,816,573)</u>	
Component unit:								
George Regional Health System	<u>\$ 60,390,390</u>		<u>59,646,624</u>	<u>843,015</u>				<u>99,249</u>
Total Component Unit	<u>\$ 60,390,390</u>	<u>0</u>	<u>59,646,624</u>	<u>843,015</u>				<u>99,249</u>

GEORGE 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			Component
		Charges for	Operating	Capital	Primary Government	Business-type	Total	Unit
		Services	Grants and	Grants and	Governmental	Activities		George Regional
			Contributions	Contributions	Activities			Health System
General revenues:								
Property taxes					\$ 10,513,192		10,513,192	
Road & bridge privilege taxes					314,080		314,080	
Grants and contributions not restricted to specific programs					339,415		339,415	9,348,021
Unrestricted interest income					132,576	5,584	138,160	
Unrestricted investment income								299,757
Miscellaneous					1,127,652	21,720	1,149,372	
Gain on debt extinguishment								4,878,439
Total General Revenues					12,426,915	27,304	12,454,219	14,526,217
Changes in Net Position					(3,470,304)	107,950	(3,362,354)	14,625,466
Net Position - Beginning, as previously reported					56,343,949	1,521,785	57,865,734	40,720,209
Fund reclassification					147,135		147,135	
Net Position - Beginning, as restated					56,491,084	1,521,785	58,012,869	40,720,209
Net Position - Ending					\$ 53,020,780	1,629,735	54,650,515	55,345,675

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

GEORGE COUNTY  
Balance Sheet - Governmental Funds  
September 30, 2021

Exhibit 3

	Major Funds			Other	Total
	General	American	Hurricane Zeta	Governmental	Governmental
	Fund	Rescue Plan	Debris Removal	Funds	Funds
	Fund	Fund	Fund	Funds	Funds
<b>ASSETS</b>					
Cash	\$ 5,713,684	2,379,609	22,406	10,271,317	18,387,016
Property tax receivable	5,221,050			4,942,250	10,163,300
Accounts receivable (net of allowance for uncollectibles of \$855,185)				413,338	413,338
Fines receivable (net of allowance for uncollectibles of \$1,800,407)	588,959				588,959
Loans Receivable (net of allowance for uncollectibles of \$50,000)				0	0
Intergovernmental receivables	217,691			647,052	864,743
Other receivables	29,544			16,221	45,765
Due from other funds				97,433	97,433
Total Assets	\$ 11,770,928	2,379,609	22,406	16,387,611	30,560,554
<b>LIABILITIES</b>					
Liabilities:					
Claims payable	\$ 53,883		356,147	350,414	760,444
Intergovernmental payables	460,434				460,434
Due to other funds	113,149				113,149
Unearned revenue		2,379,419		27,049	2,406,468
Other payables	86,102				86,102
Total Liabilities	713,568	2,379,419	356,147	377,463	3,826,597
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue - property taxes	5,221,050			4,942,250	10,163,300
Unavailable revenue - accounts receivable				413,338	413,338
Unavailable revenue - fines	588,959				588,959
Total Deferred Inflows of Resources	5,810,009	0	0	5,355,588	11,165,597
<b>Fund balances:</b>					
Restricted for:					
General government		190		283,600	283,790
Public safety				2,906,982	2,906,982
Public works				6,598,973	6,598,973
Culture and recreation				206,689	206,689
Economic development and assistance				656,642	656,642
Debt service				1,674	1,674
Unassigned	5,247,351		(333,741)		4,913,610
Total Fund Balances	5,247,351	190	(333,741)	10,654,560	15,568,360
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 11,770,928	2,379,609	22,406	16,387,611	30,560,554

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

GEORGE 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	\$ 15,568,360
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 \$86,766,143.	62,089,452
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,002,297
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(16,748,707)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(7,642,529)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(30,690)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	1,216,853
Deferred inflows of resources related to pensions	<u>(2,434,256)</u>
Total Net Position - Governmental Activities	\$ <u>53,020,780</u>

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

## GEORGE 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	Hurricane Zeta	Governmental	Governmental
	Fund	Rescue Plan	Debris Removal	Funds	Funds
		Fund	Fund		
REVENUES					
Property taxes	\$ 5,467,466			5,045,726	10,513,192
Road and bridge privilege taxes				314,080	314,080
Licenses, commissions and other revenue	379,089			17,377	396,466
Fines and forfeitures	434,195			10,139	444,334
Intergovernmental revenues	615,928			3,692,049	4,307,977
Charges for services	352,633			648,122	1,000,755
Interest income	40,530	190	434	91,422	132,576
Miscellaneous revenues	628,445			338,167	966,612
Total Revenues	7,918,286	190	434	10,157,082	18,075,992
EXPENDITURES					
Current:					
General government	3,899,592			281,959	4,181,551
Public safety	2,498,329		4,989,175	1,877,477	9,364,981
Public works				6,887,177	6,887,177
Health and welfare	251,401			849,926	1,101,327
Culture and recreation	13,586				13,586
Conservation of natural resources	43,252				43,252
Economic development and assistance	100,848			2,191,032	2,291,880
Debt service:					
Principal	44,823			1,592,260	1,637,083
Interest	4,717			387,123	391,840
Total Expenditures	6,856,548	0	4,989,175	14,066,954	25,912,677
Excess of Revenues over (under) Expenditures	1,061,738	190	(4,988,741)	(3,909,872)	(7,836,685)
OTHER FINANCING SOURCES (USES)					
Long-term capital debt issued				551,690	551,690
Long-term non-capital debt issued			4,655,000	1,500,000	6,155,000
Proceeds from sale of capital assets	39,840			1,025,026	1,064,866
Compensation for loss of capital assets				28,190	28,190
Transfers in				745,000	745,000
Transfers out	(700,000)			(45,000)	(745,000)
Total Other Financing Sources and Uses	(660,160)	0	4,655,000	3,804,906	7,799,746
Net Changes in Fund Balances	401,578	190	(333,741)	(104,966)	(36,939)
Fund Balances - Beginning, as previously reported	4,698,638	0	0	10,759,526	15,458,164
Fund reclassification	147,135				147,135
Fund Balances - Beginning, as restated	4,845,773	0	0	10,759,526	15,605,299
Fund Balances - Ending	\$ 5,247,351	190	(333,741)	10,654,560	15,568,360

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

GEORGE 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	\$ (36,939)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlays of \$4,015,441 exceeded depreciation of \$1,659,201 in the current period.	2,356,240
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 gain of \$161,040 and the proceeds from the sale of \$1,064,866 and compensation for loss of \$28,190 in the current period.	(932,016)
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.	(41,183)
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.	13,610
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt proceeds of \$6,706,690 exceeded debt repayments of \$1,637,083.	(5,069,607)
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:	
The amount of increase in compensated absences liability.	(5,591)
The amount of decrease in accrued interest payable.	2,169
The amortization of bond premium.	21,005
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	(386,933)
Recording of contributions made during the year	<u>608,941</u>
Change in Net Position of Governmental Activities	\$ <u><u>(3,470,304)</u></u>

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



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

Exhibit 5

	Business-type Activities - Enterprise Fund
	<u>Regional Jail Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 975,057
Intergovernmental receivables	594,965
Total Current Assets	<u>1,570,022</u>
Noncurrent assets:	
Capital assets:	
Land	87,674
Other capital assets, net	4,770,517
Total Noncurrent Assets	<u>4,858,191</u>
Total Assets	<u>6,428,213</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows related to pensions	438,382
Total Deferred Outflows of Resources	<u>438,382</u>
<b>LIABILITIES</b>	
Current liabilities:	
Claims payable	90,847
Accrued interest payable	28,034
Capital debt:	
Other long-term liabilities	145,629
Total Current Liabilities	<u>264,510</u>
Noncurrent liabilities:	
Capital debt:	
Other long-term liabilities	1,123,869
Non-capital debt:	
Compensated absences payable	58,132
Net pension liability	2,923,120
Total Noncurrent Liabilities	<u>4,105,121</u>
Total Liabilities	<u>4,369,631</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows related to pensions	867,229
Total Deferred Inflows of Resources	<u>867,229</u>
<b>NET POSITION</b>	
Net investment in capital assets	3,588,693
Unrestricted	(1,958,958)
Total Net Position	<u>\$ 1,629,735</u>

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

## GEORGE 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
	<u>Regional Jail Fund</u>
Operating Revenues	
Charges for services	\$ 3,557,079
Miscellaneous	<u>21,720</u>
Total Operating Revenues	<u>3,578,799</u>
Operating Expenses	
Personal services	1,892,541
Contractual services	622,942
Materials and supplies	540,549
Depreciation expense	160,765
Pension expense	<u>137,870</u>
Total Operating Expenses	<u>3,354,667</u>
Operating Income (Loss)	<u>224,132</u>
Nonoperating Revenues (Expenses)	
Interest income	5,584
Intergovernmental grants	70,585
Gain (loss) on sale of capital assets	(1,499)
Interest expense	(53,390)
Other income (expenses)	<u>(137,462)</u>
Net Nonoperating Revenue (Expenses)	<u>(116,182)</u>
Net Income (Loss)	<u>107,950</u>
Changes in Net Position	107,950
Net Position - Beginning	<u>1,521,785</u>
Net Position - Ending	<u>\$ 1,629,735</u>

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

GEORGE COUNTY  
Statement of Cash Flow s - Proprietary Fund  
For the Year Ended September 30, 2021

Exhibit 7

	Business-type Activities - Enterprise Fund
	Regional Jail Fund
Cash Flow s From Operating Activities	
Receipts from customers	\$ 3,233,580
Payments to suppliers	(1,103,718)
Payments to employees	(2,104,128)
Miscellaneous receipts	21,720
Net Cash Provided (Used) by Operating Activities	47,454
Cash Flow s From Noncapital Financing Activities	
Intergovernmental grants received	103,392
Cash received from other funds:	
Operating transfers in	3,549,457
Cash paid to other funds:	
Operating transfers out	(3,549,457)
Net Cash Provided (Used) by Noncapital Financing Activities	103,392
Cash Flow s From Capital and Related Financing Activities	
Proceeds from sale of capital assets	494
Acquisition and construction of capital assets	(6,082)
Principal paid on long-term debt	(601,395)
Interest paid on debt	(55,236)
Other receipts (payments)	(137,462)
Net Cash Provided (Used) by Capital and Related Financing Activities	(799,681)
Cash Flow s From Investing Activities	
Interest on deposits	5,584
Net Cash Provided (Used) by Investing Activities	5,584
Net Increase (Decrease) in Cash and Cash Equivalents	(643,251)
Cash and Cash Equivalents at Beginning of Year	1,618,308
Cash and Cash Equivalents at End of Year	\$ 975,057
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating income (loss)	\$ 224,132
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Depreciation expense	160,765
Changes in assets and liabilities:	
(Increase) decrease in other intergovernmental receivables	(323,499)
Increase (decrease) in claims payable	59,773
Increase (decrease) in compensated absences liability	5,387
Increase (decrease) in pension liability, deferred inflow s/outflow s, net	(79,104)
Total Adjustments	(176,678)
Net Cash Provided (Used) by Operating Activities	\$ 47,454

GEORGE COUNTY  
Statement of Fiduciary Net Position  
September 30, 2021

Exhibit 8

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 240,858
Receivables:	
Due from other funds	<u>15,716</u>
Total Assets	<u>\$ 256,574</u>
LIABILITIES	
Intergovernmental payables	\$ <u>15,721</u>
Total Liabilities	<u>15,721</u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	<u>240,853</u>
Total Net Position	<u>\$ 240,853</u>

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

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

Exhibit 9

	<u>Custodial Funds</u>
ADDITIONS	
Tax collections for other governments	\$ 1,548,067
Other taxes and fees collected for other governments	<u>10,025</u>
Total Additions	<u>1,558,092</u>
DEDUCTIONS	
Payments of tax to other governments	<u>1,552,733</u>
Total Deductions	<u>1,552,733</u>
Net increase (decrease) in fiduciary net position	5,359
Net Position - Beginning	<u>235,494</u>
Net Position - Ending	<u>\$ 240,853</u>

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

## GEORGE COUNTY

(This page left blank intentionally.)

## GEORGE COUNTY

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

#### (1) Summary of Significant Accounting Policies.

##### A. Financial Reporting Entity.

George 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 George County to present these financial statements on the primary government and its component unit 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 Unit

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

George County Public Improvement Corporation was incorporated as a nonprofit under *Section 31-8-3, Mississippi Code of 1972 Annotated*, which allows Counties to enter into lease agreements with any corporation. The corporation's three-member board of directors is appointed by the Board of Supervisors. The corporation produces a financial benefit through its ability to finance the construction, acquisition, and renovation of capital facilities for the primary government and imposes a financial burden on the primary government by obligating funds to repay the debt pursuant to a lease agreement.

###### Discretely Presented Component Unit

The component unit's column in the financial statements include the financial data of the following component unit of the County. They are reported in a separate column to emphasize that they are legally separate from the County.

The George Regional Health System (the "Hospital") consists of an acute care hospital and related outpatient facilities located in Lucedale, Mississippi. The Hospital operates in the form of a government authority governed by a Board of Trustees pursuant to *Section 41-13-15 of the Mississippi Code of 1972 Annotated*, as amended, consisting of members from George County, and is a legally separate entity. Each member of the George County Board of Supervisors appoints one member to the Hospital's Board of Trustees. Complete financial statements for the George Regional Health System can be obtained from the Chief Financial Officer at Post Office Box 607, Lucedale, Mississippi 39452.

## GEORGE COUNTY

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

#### C. Basis of Presentation.

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

##### Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information concerning the County as a whole. The statements include all nonfiduciary activities of the primary government and its component units. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues and are reported separately from business-type activities. Business-type activities rely mainly on fees and charges for support. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The Statement of Net Position presents the financial condition of the governmental activities 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.



## GEORGE COUNTY

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

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

The County reports the following major Governmental Funds:

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

American Rescue Plan Fund - This fund is used to account for monies from the American Rescue Plan Act of 2021 (ARPA) that are considered restricted in nature.

Hurricane Zeta Debris Removal Fund - This fund is used to account for monies from specific revenue resources that are restricted for Hurricane Zeta disaster recovery.

The County reports the following major Enterprise Fund:

Regional Jail Fund - This fund is used to account for monies from inmate housing agreement income with the Mississippi Department of Corrections for housing state prisoners.

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.

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.

Debt Service Funds - These funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

#### PROPRIETARY FUND TYPE

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

#### FIDUCIARY FUND TYPE

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

## GEORGE COUNTY

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

#### E. Account Classifications.

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

#### F. Deposits.

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." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

#### 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 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.

Governmental accounting and financial reporting standards allow governments meeting certain criteria to elect not to report major general infrastructure assets retroactively. George County meets this criteria and has so elected. Therefore, the major general infrastructure assets acquired prior to October 1, 2002, are not reported in the government-wide financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to October 1, 2002.

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.

# GEORGE COUNTY

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

Capitalization thresholds (dollar value above which asset acquisitions are added to the capital asset accounts) and estimated useful lives are used to report capital assets in the government-wide statements and Proprietary Funds. Depreciation is calculated on the straight-line basis for all assets, except land. A full year's depreciation expense is taken for all purchases and sales of capital assets during the year. The following schedule details those thresholds and estimated useful lives:

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

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

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

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

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

## GEORGE COUNTY

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

#### 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 applicable governmental activities, business-type activities or Proprietary Funds Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bond using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, the face amount of the debt issued is reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### 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 County has adopted a policy of compensation for accumulated unpaid employee personal leave. No payment is authorized for accrued major medical leave. Accounting principles generally accepted in the United States of America require accrual of accumulated unpaid employee benefits as long-term liabilities in the government-wide financial statements and Proprietary Funds financial statements. In fund financial statements, Governmental Funds report the compensated absence liability payable only if the payable has matured, for example, an employee resigns or retires.

#### 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."

## GEORGE 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 restricted 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.

*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.

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.

## GEORGE COUNTY

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

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

P. Intergovernmental Revenues in Governmental Funds.

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

Q. 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) Fund Reclassification (Accounting Change).

Effective October 1, 2020, and in accordance with the implementation of GASB Statement No. 84, the Payroll Clearing Fund, Circuit Clerk's Payroll Clearing Fund, and Chancery Clerk's Payroll Clearing Fund, previously reported as Fiduciary Funds, were reclassified and reported in the General Fund. Therefore, the County has adjusted beginning fund balance/net position for the General Fund and Governmental Activities in the amount of \$147,135.

For the Fiduciary Fund Custodial Activities, the County has treated the beginning of year net position of \$235,494 as having been recognized in the period incurred. The County has adjusted beginning net position for their fiduciary activities from \$0 to \$235,494.

(3) Deposits.

The carrying amount of the County's total deposits with financial institutions at September 30, 2021, was \$19,602,931, and the bank balance was \$20,210,698. 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).

# GEORGE 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.

### (4) 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	\$ 97,433
Custodial Funds	General Fund	15,716
Total		<u>\$ 113,149</u>

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

#### B. Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Other Governmental Funds	General Fund	\$ 700,000
Other Governmental Funds	Other Governmental Funds	45,000
Total		<u>\$ 745,000</u>

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

### (5) Intergovernmental Receivables.

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

# GEORGE COUNTY

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

Description	Amount
<b>Governmental Activities:</b>	
Legislative tax credit	\$ 155,913
Presidentially declared disaster - Hurricane Zeta grant reimbursement	74,940
Emergency management performance grant reimbursement	25,680
Mississippi Department of Corrections - housing prisoners reimbursement	7,180
Economic development administration grant reimbursement	440,109
Fire insurance rebate funds	132,077
Presidentially declared disaster - tornado grant reimbursement	19,401
Various grant reimbursements	9,443
	<u>864,743</u>
Total Governmental Activities	\$ <u>864,743</u>
<b>Business-type Activities:</b>	
Mississippi Department of Corrections - housing prisoners reimbursement	\$ 558,207
Stone County - housing prisoners reimbursement	1,830
Jackson County - housing prisoners reimbursement	2,730
Greene County - housing prisoners reimbursement	1,550
City of Lucedale - housing prisoners reimbursement	4,710
George County - housing prisoners reimbursement	25,938
	<u>594,965</u>
Total Business-type Activities	\$ <u>594,965</u>

(6) Loans Receivable.

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

Description	Date of Loan	Interest Rate	Maturity Date	Receivable Balance
George Regional Health System*	10/26/1992	0.00%	Unknown	\$ 50,000
Less: Allowance for doubtful accounts				<u>(50,000)</u>
Total, net of allowance for doubtful accounts				\$ <u>0</u>

\*The George Regional Health System loan receivable was determined to be uncollectible in fiscal year 1996.



# GEORGE COUNTY

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

### (7) 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
<b>Non-depreciable capital assets:</b>					
Land	\$ 2,021,909	30,082			2,051,991
Total non-depreciable capital assets	2,021,909	30,082	0	0	2,051,991
<b>Depreciable capital assets:</b>					
Infrastructure	117,708,512	2,474,116			120,182,628
Buildings	10,367,107	119,154			10,486,261
Improvements other than buildings	134,280				134,280
Mobile equipment	13,984,383	740,450	987,067	223,175	13,960,941
Furniture and equipment	940,775	53,469			994,244
Leased property under capital leases	1,415,355	598,170	745,100	(223,175)	1,045,250
Total depreciable capital assets	144,550,412	3,985,359	1,732,167	0	146,803,604
<b>Less accumulated depreciation for:</b>					
Infrastructure	71,676,840	896,413			72,573,253
Buildings	1,995,368	75,753			2,071,121
Improvements other than buildings	62,806	5,374			68,180
Mobile equipment	11,217,357	551,703	733,092	80,348	11,116,316
Furniture and equipment	739,352	35,867			775,219
Leased property under capital leases	215,370	94,091	67,059	(80,348)	162,054
Total accumulated depreciation	85,907,093	1,659,201	800,151	0	86,766,143
Total depreciable capital assets, net	58,643,319	2,326,158	932,016	0	60,037,461
Governmental activities capital assets, net	\$ 60,665,228	2,356,240	932,016	0	62,089,452

\*Adjustments are for the reclassification of paid-off capital leases to mobile equipment.

# GEORGE 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>Non-depreciable capital assets:</u>				
Land	\$ 87,674			87,674
Total non-depreciable capital assets	87,674	0	0	87,674
<u>Depreciable capital assets:</u>				
Buildings	7,415,772			7,415,772
Improvements other than buildings	130,000			130,000
Mobile equipment	78,649		19,934	58,715
Furniture and equipment	141,608	6,082		147,690
Total depreciable capital assets	7,766,029	6,082	19,934	7,752,177
<u>Less accumulated depreciation for:</u>				
Buildings	2,610,282	148,319		2,758,601
Improvements other than buildings	57,200	5,200		62,400
Mobile equipment	70,784		17,941	52,843
Furniture and equipment	100,570	7,246		107,816
Total accumulated depreciation	2,838,836	160,765	17,941	2,981,660
Total depreciable capital assets, net	4,927,193	(154,683)	1,993	4,770,517
Business-type activities capital assets, net	\$ 5,014,867	(154,683)	1,993	4,858,191

Depreciation expense was charged to the following functions:

	Amount
<b>Governmental activities:</b>	
General government	\$ 83,858
Public safety	275,607
Public works	1,299,736
Total governmental activities depreciation expense	\$ 1,659,201
	Amount
<b>Business-type activities:</b>	
Regional jail	\$ 160,765

# GEORGE COUNTY

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

### Component unit:

The George Regional Health System capital asset balances as of September 30, 2021, are as follows:

	Balance Oct. 1, 2020	Additions	Deletions	Balance Sept. 30, 2021
<u>Non-depreciable capital assets:</u>				
Land	\$ 521,434	172,648		694,082
Construction in progress		2,046,251	291,814	1,754,437
Total non-depreciable capital assets	521,434	2,218,899	291,814	2,448,519
<u>Depreciable capital assets:</u>				
Land improvements	157,270			157,270
Buildings	30,277,958	317,072	210,011	30,385,019
Fixed equipment	1,725,001	1,073,280	499,645	2,298,636
Major moveable equipment	18,826,280	1,933,344	272,607	20,487,017
Total depreciable capital assets	50,986,509	3,323,696	982,263	53,327,942
<u>Less accumulated depreciation for:</u>				
Land improvements	188,418	40,472		228,890
Buildings	9,299,327	595,584	23,985	9,870,926
Fixed equipment	2,108,823	93,363	466,917	1,735,269
Major moveable equipment	15,728,652	814,184	251,470	16,291,366
Total accumulated depreciation	27,325,220	1,543,603	742,372	28,126,451
Total depreciable capital assets, net	23,661,289	1,780,093	239,891	25,201,491
Component unit capital assets, net	\$ 24,182,723	3,998,992	531,705	27,650,010

### (8) Claims and Judgments.

#### Risk Financing.

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

### (9) Operating Leases.

#### As Lessor:

On June 1, 2020, George County entered into a non-cancellable operating lease agreement with Amazon.com Services, LLC, for the lease of certain real property and all buildings and improvements located thereon, owned by the County for use as a distribution warehouse.

# GEORGE COUNTY

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

The lease term commenced on June 1, 2020 for a term of fifteen months. The operating lease stipulated that the Lessee would pay \$0 in monthly rental payments for months one through three, then \$4,484 for months four through fifteen. On September 1, 2021 the Lessee executed an extension term for three consecutive years expiring on August 31, 2023. The extension term stipulated that the annual rental payment shall be \$49,969, payable in twelve equal installments. The lease contains three options to renew for an additional consecutive five years each, for a total of twenty years after the initial term. The annual rental payments during renewal terms shall be \$49,969.

The County received income from property leased under a noncancellable operating lease. Total income from such lease was \$49,324 for the year ended September 30, 2021. The future minimum lease receivable for this lease is as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2022	\$ 49,969
2023	<u>45,805</u>
Total Minimum Payments Required	<u>\$ 95,774</u>

### (10) Capital Leases.

As Lessee:

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

<u>Classes of Property</u>	<u>Governmental Activities</u>
Mobile equipment	\$ 1,045,250
Less: Accumulated depreciation	<u>(162,054)</u>
Leased Property Under Capital Leases	<u>\$ 883,196</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	\$ 632,153	20,179
2023	128,615	3,961
2024	<u>22,502</u>	<u>176</u>
Total	<u>\$ 783,270</u>	<u>24,316</u>

# GEORGE COUNTY

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

### (11) Long-term Debt.

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
<b>Governmental Activities:</b>			
A. General Obligation Bonds:			
General Obligation Hospital Construction Bonds, Series 2017	\$ 2,510,000	1.75-2.50%	09/2032
Special Obligation Bonds, MDB, Series 2014A	<u>6,580,000</u>	3.00-5.00%	09/2034
Total General Obligation Bonds	<u>\$ 9,090,000</u>		
B. Capital Leases:			
District 1 - Savage mower	\$ 70,418	3.89%	11/2023
District 2 - Savage mower	70,418	3.89%	11/2023
Sheriff's office - (4) Dodge Chargers & (1) Dodge Ram	94,257	3.34%	12/2022
JCB 3CX-15 backhoe	40,177	2.59%	05/2024
District 1 - (3) John Deere tractors	123,700	2.29%	10/2021
District 2 - (2) John Deere tractors	130,300	2.29%	10/2021
District 3 - (2) John Deere tractors	123,700	2.29%	10/2021
District 4 - (2) John Deere tractors	<u>130,300</u>	2.29%	10/2021
Total Capital Leases	<u>\$ 783,270</u>		
C. Other Loans:			
Negotiable Note Series 2019	\$ 311,226	3.84%	12/2023
Negotiable Note Series 2021	1,500,000	0.98%	09/2026
Limited Obligation Note, Series 2021	<u>4,655,000</u>	1.14%	03/2022
Total Other Loans	<u>\$ 6,466,226</u>		
<b>Business-type Activities:</b>			
A. General Obligation Bonds:			
General Obligation Refunding Bond, Series 2019	<u>\$ 1,254,300</u>	4.00-4.50%	12/2028
B. Equipment Notes:			
Regional Jail equipment upgrade	<u>\$ 15,198</u>	10.00%	03/2024

# GEORGE COUNTY

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

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		Other Loans	
	Principal	Interest	Principal	Interest
2022	\$ 590,000	310,463	5,049,035	32,560
2023	615,000	290,663	400,753	18,478
2024	635,000	269,863	407,646	11,571
2025	660,000	248,306	302,911	4,482
2026	680,000	230,186	305,881	1,499
2027 - 2031	3,810,000	788,077		
2032 - 2036	2,100,000	136,250		
Total	\$ 9,090,000	2,273,808	6,466,226	68,590

### **Business-Type Activities:**

Year Ending September 30	General Obligation Bonds		Equipment Notes	
	Principal	Interest	Principal	Interest
2022	\$ 140,000	37,378	5,629	1,267
2023	143,700	33,206	6,219	677
2024	147,000	28,924	3,350	98
2025	155,300	24,543		
2026	158,200	19,915		
2027 - 2031	510,100	30,697		
Total	\$ 1,254,300	174,663	15,198	2,042

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2021, the amount of outstanding debt was equal to 5.37 percent (5.37%) of the latest property assessments.

# GEORGE COUNTY

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

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

	Balance Oct. 1, 2020	Additions	Reductions	Balance Sept. 30, 2021	Amount due within one year
<b>Governmental Activities:</b>					
Compensated absences	\$ 130,548	5,591		136,139	
General obligation bonds	9,655,000		565,000	9,090,000	590,000
Add:					
Premiums	294,077		21,005	273,072	21,005
Capital leases	1,207,498	551,690	975,918	783,270	632,153
Other loans	407,391	6,155,000	96,165	6,466,226	5,049,035
<b>Total</b>	<b>\$ 11,694,514</b>	<b>6,712,281</b>	<b>1,658,088</b>	<b>16,748,707</b>	<b>6,292,193</b>

	Balance Oct. 1, 2020	Additions	Reductions	Balance Sept. 30, 2021	Amount due within one year
<b>Business-type Activities:</b>					
Compensated absences	\$ 52,745	5,387		58,132	
General obligation bonds	1,390,600		136,300	1,254,300	140,000
Limited obligation bonds	460,000		460,000	0	
Add:					
Premiums	196		196	0	
Other loans	20,293		5,095	15,198	5,629
<b>Total</b>	<b>\$ 1,923,834</b>	<b>5,387</b>	<b>601,591</b>	<b>1,327,630</b>	<b>145,629</b>

Compensated absences will be paid from the fund from which the employees' salaries were paid, which are generally the General Fund, Road Construction & Maintenance Fund, Solid Waste Fund, and for business-type activities, the Regional Jail Fund.

### Component unit:

#### *George Regional Health System:*

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

	Balance Oct. 1, 2020	Additions	Reductions	Balance Sept. 30, 2021	Amount due within one year
<b>Component Unit:</b>					
Notes payable	\$ 9,853,911		639,966	9,213,945	640,575
Capital lease obligations	6,635,144	291,348	785,638	6,140,854	800,310
<b>Total</b>	<b>\$ 16,489,055</b>	<b>291,348</b>	<b>1,425,604</b>	<b>15,354,799</b>	<b>1,440,885</b>

## GEORGE COUNTY

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

#### (12) Defined Benefit Pension Plan.

##### *General Information about the Pension Plan*

Plan Description. George 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 \$825,916, \$803,355 and \$713,399, 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 \$10,565,649 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2021 net pension liability was 0.071484 percent, which was based on a measurement date of June 30, 2021. This was an increase of 0.002813 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.



# GEORGE COUNTY

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

For the year ended September 30, 2021, the County recognized pension expense of \$524,803. 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	\$ 166,082	
Net difference between projected and actual earnings on pension plan investments		3,208,987
Changes of assumptions	811,157	
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	486,775	92,498
County contributions subsequent to the measurement date	191,221	
Total	\$ 1,655,235	3,301,485

\$191,221 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	\$ (293,454)
2023	(212,625)
2024	(383,197)
2025	(948,195)
Total	\$ (1,837,471)

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

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

Mortality rates were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of 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.

# GEORGE COUNTY

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

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.

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	\$ 14,963,434	10,565,649	6,941,522

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

# GEORGE COUNTY

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

### (13) Deficit Fund Balances of Individual Funds.

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

Fund	Deficit Amount
Sheriff's Department DUI Grant Fund	\$ (1,512)
Hurricane Zeta Debris Removal Fund	(333,741)

### (14) Contingencies.

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

### (15) Effect of Deferred Amounts on Net Position.

The governmental activities' unrestricted net position amount of (\$9,677,518) 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 \$140,986 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. The \$1,075,867 balance of the deferred outflows of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next three years. The \$2,434,256 balance of the deferred inflows of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next four years.

The business-type activities' unrestricted net position amount of (\$1,958,958) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pension in the amount of \$50,235 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 \$388,147 balance of the deferred outflows of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next three years. The \$867,229 balance of the deferred inflows of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next four years.

### (16) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Region 14 Singing River Mental Health/Mental Retardation Center operates in a district composed of the Counties of George and Jackson. The George County Board of Supervisors appoints one of the two members of the board of commissioners. The County appropriated \$53,000 for support of the center in fiscal year 2021.

# GEORGE COUNTY

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

Southern Mississippi Planning and Development District operates in a district composed of the Counties of Covington, Forrest, George, Greene, Hancock, Harrison, Jackson, Jefferson Davis, Jones, Lamar, Marion, Pearl River, Perry, Stone and Wayne. The George County Board of Supervisors appoints one of the 27 members of the board of directors. The County appropriated \$18,000 for support of the district in the fiscal year 2021.

Mississippi Gulf Coast Community College operates in a district composed of the Counties of George, Harrison, Jackson and Stone. The college's board of trustees is composed of 23 members; three each appointed by George and Stone Counties; eight each appointed by Harrison and Jackson Counties, and one appointed at large. The County appropriated \$716,945 for maintenance and support of the college in fiscal year 2021.

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

Regional Railroad Authority of East Mississippi was created in September 2009, jointly, with George County, Clarke County, Greene County, Jackson County, Lauderdale County and Wayne County to compliment and support the existing railroads presently operating in East Mississippi. Each County appoints five commissioners to the Board of Commissioners of the Authority. Additionally, each municipality in any of these Counties through which a railroad runs shall appoint one commissioner. The Counties generally provide no financial support to the organization.

### (17) Subsequent Events.

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the Statement of Net Position date, require disclosure in the accompanying notes. Management of George County evaluated the activity of the County through November 21, 2023, and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements.

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

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
11/15/2021	2.41%	\$ 162,000	Financed purchase	Ad valorem taxes
12/06/2021	2.41%	137,556	Financed purchase	Ad valorem taxes
12/06/2021	2.41%	143,356	Financed purchase	Ad valorem taxes
12/06/2021	2.41%	137,556	Financed purchase	Ad valorem taxes
12/06/2021	2.41%	143,356	Financed purchase	Ad valorem taxes
02/07/2022	1.38%	4,831,259	Grant anticipation note	Grant proceeds
02/21/2023	5.39%	147,862	Financed purchase	Ad valorem taxes
02/21/2023	5.39%	155,882	Financed purchase	Ad valorem taxes
02/21/2023	5.39%	147,862	Financed purchase	Ad valorem taxes
02/21/2023	5.39%	155,882	Financed purchase	Ad valorem taxes
02/06/2023	5.78%	2,082,188	Amendment to grant anticipation note	Grant proceeds

## GEORGE COUNTY

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

The County was named as a defendant in a lawsuit alleging fault on the County for the wrongful death of an inmate, who was an insulin-dependent diabetic, and who did not receive treatment for his diabetes while in the custody of the George County Regional Correctional Facility. The parties involved reached a settlement of all matters in dispute and a judgment was rendered on May 31, 2022, against the County in the amount of \$2,750,000, with the County and insurance company ordered to pay \$2,500,000 and \$250,000, respectively. Furthermore, the judgment ordered that \$1,000,000 of the \$2,750,000 was to be paid within fourteen (14) days of the date of the final judgment, and the remaining \$1,750,000 to be paid within sixty (60) days of the final judgment. As of the report date, November 21, 2023, all amounts have been settled.

## GEORGE COUNTY

(This page left blank intentionally.)

## GEORGE COUNTY

### REQUIRED SUPPLEMENTARY INFORMATION

## GEORGE COUNTY

(This page left blank intentionally.)



GEORGE 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)
<b>REVENUES</b>				
Property taxes	\$ 5,085,850	5,477,966	5,477,966	
Licenses, commissions and other revenue	340,800	379,721	379,721	
Fines and forfeitures	275,200	433,659	433,659	
Intergovernmental revenues	371,150	987,721	987,721	
Charges for services	250,000	351,493	351,493	
Interest income	15,700	32,232	32,232	
Miscellaneous revenues	50,000	321,292	321,292	
Total Revenues	<u>6,388,700</u>	<u>7,984,084</u>	<u>7,984,084</u>	<u>0</u>
<b>EXPENDITURES</b>				
Current:				
General government	5,526,525	4,376,566	4,376,566	
Public safety	2,673,725	2,548,442	2,548,442	
Health and welfare	247,500	252,000	252,000	
Culture and recreation	36,000	13,362	13,362	
Conservation of natural resources	61,700	44,182	44,182	
Economic development and assistance	112,625	101,253	101,253	
Total Expenditures	<u>8,658,075</u>	<u>7,335,805</u>	<u>7,335,805</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>(2,269,375)</u>	<u>648,279</u>	<u>648,279</u>	<u>0</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets		39,840	39,840	
Compensation for loss of capital assets		56,363	56,363	
Transfers out	(317,575)			
Other financing sources	30,000			
Total Other Financing Sources and Uses	<u>(287,575)</u>	<u>96,203</u>	<u>96,203</u>	<u>0</u>
Net Change in Fund Balance	(2,556,950)	744,482	744,482	0
Fund Balances - Beginning	<u>2,556,950</u>	<u>3,600,661</u>	<u>3,600,661</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 0</u>	<u>4,345,143</u>	<u>4,345,143</u>	<u>0</u>

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

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$	2,379,419	2,379,419	
Interest income		190	190	
Total Revenues	<u>0</u>	<u>2,379,609</u>	<u>2,379,609</u>	<u>0</u>
EXPENDITURES				
Current:				
Public works				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>0</u>	<u>2,379,609</u>	<u>2,379,609</u>	<u>0</u>
Net Change in Fund Balance	0	2,379,609	2,379,609	0
Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 0</u>	<u>2,379,609</u>	<u>2,379,609</u>	<u>0</u>

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

GEORGE COUNTY  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis)  
 Hurricane Zeta Debris Removal Fund  
 For the Year Ended September 30, 2021  
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Interest income	\$	434	434	
Total Revenues	0	434	434	0
EXPENDITURES				
Current:				
Public safety		4,633,028	4,633,028	
Total Expenditures	0	4,633,028	4,633,028	0
Excess of Revenues over (under) Expenditures	0	(4,632,594)	(4,632,594)	0
OTHER FINANCING SOURCES (USES)				
Transfers in		4,655,000	4,655,000	
Total Other Financing Sources and Uses	0	4,655,000	4,655,000	0
Net Change in Fund Balance	0	22,406	22,406	0
Fund Balances - Beginning	0	0	0	0
Fund Balances - Ending	\$ 0	22,406	22,406	0

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

GEORGE 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)	0.071484%	0.068671%	0.067481%	0.070200%	0.071715%	0.069044%	0.070113%
County's proportionate share of the net pension liability (asset)	\$ 10,565,649	13,293,908	11,874,582	11,676,346	11,921,468	12,332,983	10,838,087
Covered payroll	\$ 4,752,969	4,572,621	4,394,862	4,483,447	4,600,590	4,416,895	4,385,485
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	222.30%	290.73%	270.19%	260.43%	259.13%	279.22%	247.14%
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.

GEORGE 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	\$ 825,916	803,355	713,399	704,655	706,905	692,493	690,714
Contributions in relation to the contractually required contribution	<u>825,916</u>	<u>803,355</u>	<u>713,399</u>	<u>704,655</u>	<u>706,905</u>	<u>692,493</u>	<u>690,714</u>
Contribution deficiency (excess)	\$ <u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered payroll	\$ 4,746,644	4,616,985	4,417,331	4,474,000	4,488,288	4,396,782	4,385,485
Contributions as a percentage of covered payroll	17.40%	17.40%	16.15%	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.

## GEORGE COUNTY

(This page left blank intentionally.)

# GEORGE COUNTY

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

### 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 Plan Fund	Hurricane Zeta Debris Removal Fund
Budget (Cash Basis)	\$ 744,482	2,379,609	22,406
Increase (Decrease)			
Net adjustments for revenue accruals	(122,161)	(2,379,419)	
Net adjustments for expenditure accruals	(220,743)		(356,147)
GAAP Basis	\$ 401,578	190	(333,741)

## GEORGE COUNTY

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

#### 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.



## GEORGE COUNTY

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

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 decrease from 6% to 4%.

#### B. Changes in benefit provisions.

##### 2016

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

## GEORGE COUNTY

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

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

## GEORGE COUNTY

## SUPPLEMENTARY INFORMATION

## GEORGE COUNTY

(This page left blank intentionally.)

GEORGE COUNTY  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2021

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal AL Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture - Forest Service/ Passed-through the Mississippi State Treasurer's Office/ Forest service schools and roads cluster:			
School and roads - grants to states	10.665	N/A	\$ 41,614
Total Forest service schools and roads cluster			41,614
Total U.S. Department of Agriculture			41,614
U.S. Department of Commerce - Economic Development Administration Economic development cluster:			
Economic adjustment assistance (Direct Award)*	11.307	N/A	773,405
Total economic development cluster:			773,405
Total U.S. Department of Commerce			773,405
U.S. Department of Transportation Passed-through the Mississippi Department of Public Safety			
Alcohol open container requirements	20.607	154AL-2021-ST-12-01	7,506
Total U.S. Department of Transportation			7,506
U.S. Department of the Treasury Passed-through the Mississippi Secretary of State's Office			
Coronavirus relief fund	21.019	N/A	8,450
Total U.S. Department of the Treasury			8,450
U.S. Department of Homeland Security Passed-through the Mississippi Emergency Management Agency			
COVID-19 Disaster grants - public assistance (Presidentially declared disasters)*	97.036	FEMA-4576-DR-MS	128,961
Disaster grants - public assistance (Presidentially declared disasters)*	97.036	FEMA-4576-DR-MS	1,608,866
COVID-19 Disaster grants - public assistance (Presidentially declared disasters)*	97.036	FEMA-4528-DR-MS	21,971
Disaster grants - public assistance (Presidentially declared disasters)*	97.036	FEMA-4528-DR-MS	21,252
COVID-19 Disaster grants - public assistance (Presidentially declared disasters)*	97.036	FEMA-4551-DR-MS	145,868
Subtotal			1,926,918
Emergency management performance grants	97.042	EMA-2021-EP-APP-00016	25,680
Total U.S. Department of Homeland Security			1,952,598
Total Expenditures of Federal Awards			\$ 2,783,573

GEORGE COUNTY  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2021

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal AL Number	Pass-through Entity Identifying Number	Federal Expenditures
---	-------------------------	--	-------------------------

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Significant Accounting Policies

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of George County under programs of the federal government for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirements of *Title 2, U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of George County, it is not intended to and does not present the financial position, changes in net position, or cash flows of George County.

Note B - Summary of Significant Accounting Policies

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

Note C - Indirect Cost Rate

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

Note D - Schools and roads - grants to states

Of the federal expenditures presented in the Schedule, George County provided federal awards totaling \$20,807 to subrecipients during the year ended September 30, 2021.

Note E - Disaster grants - public assistance (Presidentially declared disasters) - ALN 97.036

After a Presidential declared disaster, FEMA provides Disaster grants - public assistance (Presidentially declared disasters) (ALN 97.036) to reimburse eligible costs associated with repair, replacement or restoration of disaster-damaged facilities. The federal government makes reimbursements in the form of cost-shared grants that require state matching funds. In fiscal year 2021, FEMA approved \$144,456 in eligible expenditures that were incurred in the prior fiscal year. These approved eligible expenditures are included on the SEFA for the year ended September 30, 2021.

\* Denotes major federal award program.

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

Operating Expenditures, Cash Basis:

Salaries	\$	392,567
Expendable Commodities:		
Gasoline and petroleum products		72,443
Repair parts		36,572
Office, field and shop supplies		15,841
Tires		28,290
Professional fees, legal advertising and other fees		443,671
Telephone and utilities		3,784
Postage and box rent		<u>7,935</u>
Solid Waste Cash Basis Operating Expenditures		1,001,103
Full Cost Expenses:		
Indirect administrative costs		12,262
Depreciation on equipment		<u>153,074</u>
Solid Waste Full Cost Operating Expenses	\$	<u><u>1,166,439</u></u>

## GEORGE COUNTY

(This page left blank intentionally.)



## GEORGE COUNTY

## OTHER INFORMATION

## GEORGE COUNTY

(This page left blank intentionally.)

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

Name	Position	Company	Bond
Frankie Massey	Supervisor District 1	Western Surety Company	\$100,000
Kelly Wright	Supervisor District 2	Western Surety Company	\$100,000
Larry McDonald	Supervisor District 3	Western Surety Company	\$100,000
Larry Havard	Supervisor District 4	Western Surety Company	\$100,000
Henry Cochran	Supervisor District 5	Western Surety Company	\$100,000
Cammie Byrd	Chancery Clerk	Western Surety Company	\$100,000
Connie Shockley	Purchase Clerk	Western Surety Company	\$75,000
Angela Ludgood	Receiving Clerk	Western Surety Company	\$75,000
Rhonda Byrd	Assistant Receiving Clerk	Western Surety Company	\$50,000
Mark D. McMillan	Assistant Receiving Clerk	Western Surety Company	\$50,000
Penny Anderson	Inventory Control Clerk	Western Surety Company	\$75,000
Glen Ecroyd	Constable	Western Surety Company	\$50,000
Jerry Havard, Jr.	Constable	Western Surety Company	\$50,000
Chad Welford	Circuit Clerk	Western Surety Company	\$100,000
Lisa Renfro	Deputy Circuit Clerk	Western Surety Company	\$50,000
Kimberly D. Davis	Deputy Circuit Clerk	Western Surety Company	\$50,000
Nancy Smith	Deputy Circuit Clerk	Western Surety Company	\$50,000
Keith Havard	Sheriff	Western Surety Company	\$100,000
Martin A. Seib	Justice Court Judge	Western Surety Company	\$50,000
Edward Bullock	Justice Court Judge	Western Surety Company	\$50,000
Allyson C. Salter	Justice Court Clerk	Western Surety Company	\$50,000
Angela Edwards	Deputy Justice Court Clerk	Western Surety Company	\$50,000
Lena Jordan	Tax Assessor-Collector	Western Surety Company	\$100,000
Corleen Nix	Deputy Tax Collector	Western Surety Company	\$50,000
Natasha Boydston	Deputy Tax Collector	Western Surety Company	\$50,000
Christy L. Dickerson	Deputy Tax Collector	Western Surety Company	\$50,000
Lindsay Blackwood	Deputy Tax Collector	Western Surety Company	\$50,000

## GEORGE COUNTY

(This page left blank intentionally.)

## GEORGE COUNTY

## SPECIAL REPORTS

## GEORGE COUNTY

(This page left blank intentionally.)



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

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

Members of the Board of Supervisors  
George 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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of George 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 November 21, 2023. Our report includes a qualified opinion on the General Fund because the County did not maintain and preserve adequate subsidiary records documenting the existence and valuation of the Justice Court fines receivable, net and the aging of these receivables at September 30, 2021. Our report includes a reference to other auditors. Other auditors audited the financial statements of the George Regional Health System, as described in our report on George County, Mississippi's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by other auditors.

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether George County, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001.

We also noted certain matters, which we have reported to the management of George County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report dated November 21, 2023, included within this document.

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

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

## **Purpose of this Report**

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



JOE E. MCKNIGHT, CPA  
Director, County Audit Section

November 21, 2023





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

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

Members of the Board of Supervisors  
George County, Mississippi

**Report on Compliance for Each Major Federal Program**

We have audited George County, Mississippi's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of George County, Mississippi's major federal programs for the year ended September 30, 2021. George County, Mississippi's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major Federal Program***

In our opinion, George County, Mississippi complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2021.

## Report on Internal Control Over Compliance

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

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

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

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



JOE E. MCKNIGHT CPA  
Director, County Audit Section

November 21, 2023



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

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

Members of the Board of Supervisors  
George County, Mississippi

We have examined George 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 George 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 George County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

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

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

**Purchase Clerk.**

1. Purchase Clerk should be bonded as required by state statute.

**Repeat Finding** No

**Criteria** *Section 31-7-124, Mississippi Code of 1972 Annotated*, requires each purchasing clerk to execute a bond in a penalty not less than \$100,000 with sufficient surety, to be payable, conditioned and approved as provided by law.

<b>Condition</b>	During review of the County's surety bonds, it was noted that the Purchase Clerk did not have a surety bond in the amount required by law. The surety bond was for \$75,000 instead of the required \$100,000.
<b>Cause</b>	The County did not comply with state law.
<b>Effect</b>	Failure to comply with the state law would limit the amount available for recovery if a loss occurred.
<b>Recommendation</b>	The Purchase Clerk should ensure they are bonded in accordance with state law.
<b>Views of Responsible Official(s)</b>	George County was unaware of changes in <i>Section 31-7-124, Mississippi Code of 1972 Annotated</i> as to the increase from \$75,000 to \$100,000. We have made corrections and our purchase clerk will be bonded at \$100,000.

In our opinion, except for the noncompliance referred to in the preceding paragraph, George 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.

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

This report is intended for use in evaluating George 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.



JOE E. MCKNIGHT, CPA  
Director, County Audit Section

November 21, 2023

GEORGE COUNTY

Schedule 1

Schedule of Purchases From Other Than the Lowest Bidder

For the Year Ended September 30, 2021

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

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

Schedule 2

Our tests did not identify any emergency purchases.

GEORGE 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.

## GEORGE COUNTY

(This page left blank intentionally.)





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

**LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT**

Members of the Board of Supervisors  
George County, Mississippi

In planning and performing our audit of the financial statements of George County, Mississippi for the year ended September 30, 2021, we considered George 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 George 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 November 21, 2023, on the financial statements of George 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 an immaterial instance of noncompliance with state laws and regulations that is an opportunity for strengthening internal controls and operating efficiency. Our finding, recommendation, and your response are disclosed below:

**Board of Supervisors.**

1. The Sheriff should ensure meal logs are in compliance with state law.

**Repeat Finding** Yes

**Criteria** *Section 19-25-74, Mississippi Code of 1972 Annotated*, states the sheriff shall maintain a log of prisoners being fed daily, which will include the prisoner's name, the date and time of incarceration and release, the number of meals served to prisoners at each meal time, and the hours of the day served, and shall make affidavit as to the correctness thereof and file the same monthly with the board of supervisors. No claims for the cost or expense of feeding prisoners shall be approved by the board of supervisors for any month unless and until such log for that month is filed.

<b>Condition</b>	As reported in the prior year's audit report, during testing of the Sheriff's Department, it was noted that meal logs are not adequately maintained. We noted the following information was not included on the meal logs:  a.) The date and time of incarceration and release for each prisoner b.) Sheriff's affidavit as to the correctness of the meal log
<b>Cause</b>	The Sheriff did not comply with state law.
<b>Effect</b>	Failure to accurately maintain a prisoner meal log could result in the loss or misappropriation of public funds.
<b>Recommendation</b>	The Sheriff should ensure that the meal log is maintained, accurately completed, and presented to the Board of Supervisors.
<b>Views of Responsible Official(s)</b>	Future monthly meal log reports will be generated using RMS/JMS software, showing each prisoner's date and time of incarceration and release, as required by statute. The Sheriff's affidavit as to the correctness of the meal log will be attached to each month's log.

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

This report is intended 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.



JOE E. MCKNIGHT, CPA  
Director, County Audit Section

November 21, 2023

GEORGE COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

## GEORGE COUNTY

(This page left blank intentionally.)

# GEORGE COUNTY

## Schedule of Findings and Questioned Costs For the Year Ended September 31, 2021

### Section 1: Summary of Auditor's Results

#### **Financial Statements:**

1. Type of auditor's report issued on the financial statements:
 

Governmental activities	Unmodified
Business-type activities	Unmodified
Aggregate discretely presented component unit	Unmodified
General Fund	Qualified
American Rescue Plan Fund	Unmodified
Hurricane Zeta Debris Removal Fund	Unmodified
Aggregate remaining fund information	Unmodified
Regional Jail Fund	Unmodified
2. Internal control over financial reporting:
  - a. Material weaknesses identified? Yes
  - b. Significant deficiency identified? None Reported
3. Noncompliance material to the financial statements noted? Yes

#### **Federal Awards:**

4. Internal control over major federal programs:
  - a. Material weakness identified? No
  - b. Significant deficiency identified? None Reported
5. Type of auditor's report issued on compliance for major federal programs: Unmodified
6. Any audit finding(s) disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No
7. Identification of major federal programs:
 

ALN# 11.307, Economic adjustment assistance

ALN# 97.036, Disaster grants - public assistance (Presidentially declared disasters)
8. Dollar threshold used to distinguish between type A and type B programs: \$750,000
9. Auditee qualified as low-risk auditee? No

GEORGE COUNTY

Schedule of Findings and Questioned Costs  
For the Year Ended September 31, 2021

Section 2: Financial Statement Findings

**Board of Supervisors.**

**Material Weakness**

**Material Noncompliance**

<b>2021-001.</b>	<u>County signed warrants without sufficient funds.</u>
<b>Repeat Finding</b>	Yes
<b>Criteria</b>	<i>Section 19-13-43, Mississippi Code of 1972 Annotated</i> , prohibits the signing of warrants or the delivery of warrants until there is sufficient money in the fund upon which it is drawn to pay the same.
<b>Condition</b>	As reported in the prior two years' audit reports, warrants were issued on funds which did not have sufficient money to pay the warrants. As of September 30, 2021, the Sheriff's Department DUI Grant Fund had a negative cash balance of \$2,974.
<b>Cause</b>	The Board of Supervisors lacked the necessary controls over cash and did not comply with state laws.
<b>Effect</b>	Failure to have sufficient cash balances in County funds prior to the signing and delivery of warrants on these funds resulted in the use of the cash balances of other funds for purposes other than the intended purpose. These types of transactions could result in the Board of Supervisors being held personally liable for such amounts.
<b>Recommendation</b>	The Board of Supervisors should ensure that no warrants are signed or delivered until there is sufficient money in the fund upon which it is drawn to pay the same, as required by law.
<b>Views of Responsible Official(s)</b>	See Auditee's Corrective Action Plan.

**Justice Court Clerk.**

**Material Weakness**

<b>2021-002.</b>	<u>The Justice Court Clerk should ensure effective controls over fines receivable.</u>
<b>Repeat Finding</b>	No
<b>Criteria</b>	An effective system of internal control over fines receivable records should include maintaining adequate subsidiary records to substantiate the total fines receivable balance.
<b>Condition</b>	Management did not maintain adequate subsidiary records documenting the existence and valuation of fines receivable for Justice Court fines and aging of fines receivable as of September 30, 2021.
<b>Cause</b>	The Justice Court Clerk lacked the necessary internal controls over fines receivable.
<b>Effect</b>	The Independent Auditor's Report includes a qualified opinion on the General Fund because we were unable to satisfy ourselves as to the fair presentation of the Justice Court fines receivable.

GEORGE COUNTY

Schedule of Findings and Questioned Costs  
For the Year Ended September 31, 2021

**Recommendation**      The Justice Court Clerk should establish procedures documenting the existence and valuation of Justice Court fines receivable, including the aging schedule of fines receivable.

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

Section 3: Federal Award Findings and Questioned Costs

The results of our tests did not disclose any findings and questioned costs related to federal awards.

## GEORGE COUNTY

(This page left blank intentionally.)



GEORGE COUNTY

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

## GEORGE COUNTY

(This page left blank intentionally.)

# George County Board of Supervisors

LARRY McDONALD, DISTRICT THREE  
LARRY HAVARD, DISTRICT FOUR  
ROBERT P. SHEPHERD, ATTORNEY  
CAMMIE BRANNAN BYRD, CLERK OF BOARD



FRANKIE MASSEY, DISTRICT ONE  
KELLY WRIGHT, DISTRICT TWO  
HENRY COCHRAN, DISTRICT FIVE  
ALISON MITCHELL, PURCHASE CLERK

329 Ratliff Street  
Lucedale, Mississippi 39452  
601-947-7506

## CORRECTIVE ACTION PLAN

September 27, 2023

Office of the State Auditor  
501 N. West Street, Suite 801  
Jackson, Mississippi 39201

Gentlemen:

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

The findings from the Schedule of findings and responses are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

### Section 2: FINANCIAL STATEMENT FINDINGS

2021-001. Corrective action planned: This issue was corrected in the next fiscal year. We did not have a board order submitted in a timely manner to initiate a transaction to cover the negative balance at 9/30/2021.

Anticipated completion date: Unknown

Name of contact person responsible for corrective action: Penny Anderson, County Comptroller

2021-002. Corrective action planned: As a new Clerk I was unaware that this report had to be ran. Delta informed me about this report and I ran it on September 14, 2022, the date I found out about it. I have since added this report to my fiscal year reports to print list.

Anticipated completion date: Unknown

Name of contact person responsible for corrective action: Allyson Salter, Justice Court Clerk

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Kerry", is written over a horizontal line.

President, Board of Supervisors

# George County Board of Supervisors

LARRY McDONALD, DISTRICT THREE  
LARRY HAVARD, DISTRICT FOUR  
ROBERT P. SHEPHERD, ATTORNEY  
CAMMIE BRANNAN BYRD, CLERK OF BOARD



FRANKIE MASSEY, DISTRICT ONE  
KELLY WRIGHT, DISTRICT TWO  
HENRY COCHRAN, DISTRICT FIVE  
ALSON MITCHELL, PURCHASE CLERK

329 Ratliff Street  
Lucedale, Mississippi 39452  
601-947-7506

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

September 27, 2023

Office of the State Auditor  
501 N. West Street, Suite 801  
Jackson, Mississippi 39201

Gentlemen:

The George County Board of Supervisors respectfully submits the following Summary Schedule of Prior Audit Findings for the year ended September 30, 2021.

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

### Section 2: FINANCIAL STATEMENT FINDINGS

- 2019-001. County signed warrants without sufficient funds.  
NOT CORRECTED. Repeated at 2020-001 and 2021-001.  
No corrective action has been taken at this time.
- 2020-002. The Tax Assessor-Collector should settle all collections.  
CORRECTED.

Sincerely yours,

President, Board of Supervisors

A handwritten signature in blue ink, appearing to read "K. Wright", is written over a horizontal line.