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**GREENE COUNTY, MISSISSIPPI**

**Audited Financial Statements  
and Special Reports**

**For the Year Ended September 30, 2021**



# Greene County, Mississippi

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## **INDEPENDENT AUDITOR'S REPORT**

Members of the Board of Supervisors  
Greene County, Mississippi

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Greene 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 and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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

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

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

### ***Basis for Qualified Opinions on Governmental Activities, Business-type Activities and the Solid Waste Fund***

As discussed in Note 8 to the financial statements, the County did not maintain adequate subsidiary records documenting the existence, completeness and valuation of capital assets or records documenting the County's capital assets, including infrastructure, or records documenting depreciation on applicable assets in the governmental activities, business-type activities, and Solid Waste fund. Accounting principles generally accepted in the United States of America require that adequate records must be maintained to document the existence, completeness, and valuation of capital assets including the County's capital assets, including infrastructure, and the depreciation on capital assets, be adequately documented. The amount by which this

departure would affect the assets and expenses on the governmental activities, business-type activities, and solid waste fund is not reasonably determinable.

### ***Qualified Opinion***

In our opinion, except for the effects of the matter described in the “Basis for Qualified Opinion on Governmental Activities, Business-type Activities and the Solid Waste Fund” paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities and Solid Waste Fund of Greene 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.

### ***Unmodified Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the General Fund, Hurricane Zeta Fund, and the aggregate remaining fund information of Greene County, Mississippi, as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

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

Greene 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 opinions on the basic financial statements are 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 Greene 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 is presented for purposes of additional analysis and is 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 Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of

America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2023, on our consideration of Greene 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 Greene 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 Greene County, Mississippi's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Stephen D. Myrick CPA LLC". The signature is written in a cursive, flowing style.

Stephen D. Myrick, C.P.A., L.L.C.  
Quitman, MS 39355  
June 19, 2023



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## **FINANCIAL STATEMENTS**

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**GREENE COUNTY, MISSISSIPPI**  
**Statement of Net Position**  
**September 30, 2021**

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash	\$ 6,609,585	\$ 33,832	\$ 6,643,417
Cash with fiscal agent	376,566	-	376,566
Property tax receivable	7,871,061	395,000	8,266,061
Accounts receivable (net of allowance for uncollectibles of \$623,479)	-	205,801	205,801
Fines receivable (net of allowance for uncollectibles of \$532,880)	242,318	-	242,318
Intergovernmental receivables	2,493,470	-	2,493,470
Other receivables	23,288	-	23,288
Internal balances	19,384	(19,384)	-
Capital assets:			
Land and construction in progress	203,888	6,040	209,928
Other capital assets, net	50,585,752	193,724	50,779,476
Total Assets	<u>68,425,312</u>	<u>815,013</u>	<u>69,240,325</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows related to pensions	758,365	25,582	783,947
Total Deferred Outflows of Resources	<u>758,365</u>	<u>25,582</u>	<u>783,947</u>
<b>Liabilities</b>			
Claims payable	268,133	55,053	323,186
Intergovernmental payable	481,207	-	481,207
Accrued interest payable	61,638	-	61,638
Unearned revenue	-	38,240	38,240
Amounts held in custody for others	13,035	-	13,035
Other payables	212,003	-	212,003
Long-term liabilities:			
Due within one year:			
Non-capital debt	40,909	-	40,909
Capital debt	1,246,030	33,727	1,279,757
Due in more than one year:			
Non-capital debt	2,658,939	227	2,659,166
Capital debt	4,693,365	135,316	4,828,681
Net pension liability	6,557,159	481,138	7,038,297
Total Liabilities	<u>16,232,418</u>	<u>743,701</u>	<u>16,976,119</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows related to pensions	2,501,321	84,377	2,585,698
Deferred revenues - property taxes	7,871,061	395,000	8,266,061
Total Deferred Inflows of Resources	<u>10,372,382</u>	<u>479,377</u>	<u>10,851,759</u>
<b>Net Position</b>			
Net investment in capital assets	44,850,245	30,721	44,880,966
Restricted for:			
Expendable:			
General government	116,493	-	116,493
Public safety	186,714	-	186,714
Public works	4,742,624	-	4,742,624
Health and welfare	362,543	-	362,543
Culture and recreation	21,871	-	21,871
Economic development and assistance	147,047	-	147,047
Debt service	302,924	-	302,924
Nonexpendable	490,435	-	490,435
Unrestricted	(8,642,019)	(413,204)	(9,055,223)
Total Net Position	<u>\$ 42,578,877</u>	<u>\$ (382,483)</u>	<u>\$ 42,196,394</u>

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

**GREENE COUNTY, MISSISSIPPI**  
**Statement of Activities**  
**For the Year Ended September 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 6,335,403	\$ 427,792	\$ -	\$ 792,596	\$ (5,115,015)	\$ -	\$ (5,115,015)
Public safety	1,768,008	130,085	175,736	17,582	(1,444,605)	-	(1,444,605)
Public works	3,804,224	-	3,885,814	-	81,590	-	81,590
Health and welfare	90,658	-	-	-	(90,658)	-	(90,658)
Culture and recreation	124,429	-	-	-	(124,429)	-	(124,429)
Conservation of natural resources	143,458	-	-	-	(143,458)	-	(143,458)
Economic development and assistance	33,033	-	-	-	(33,033)	-	(33,033)
Interest on long-term debt	231,971	-	-	-	(231,971)	-	(231,971)
Pension expense	215,566	-	-	-	(215,566)	-	(215,566)
Total Governmental Activities	<u>12,746,750</u>	<u>557,877</u>	<u>4,061,550</u>	<u>810,178</u>	<u>(7,317,145)</u>	<u>-</u>	<u>(7,317,145)</u>
<b>Business-type activities:</b>							
Solid waste	961,871	475,358	-	-	-	(486,513)	(486,513)
Total Business-type Activities	<u>961,871</u>	<u>475,358</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(486,513)</u>	<u>(486,513)</u>
Total Primary Government	<u>\$ 13,708,621</u>	<u>\$ 1,033,235</u>	<u>\$ 4,061,550</u>	<u>\$ 810,178</u>	<u>\$ (7,317,145)</u>	<u>\$ (486,513)</u>	<u>\$ (7,803,658)</u>
<b>General revenues:</b>							
Property taxes					8,784,447	212,617	8,997,064
Road & bridge privilege taxes					110,234	-	110,234
Grants and contributions not restricted to specific programs					168,457	-	168,457
Unrestricted interest income					12,122	8	12,130
Miscellaneous					1,363,830	2,200	1,366,030
Transfers					(88,727)	88,727	-
Total General Revenues and Transfers					<u>10,350,363</u>	<u>303,552</u>	<u>10,653,915</u>
Changes in Net Position					<u>3,033,218</u>	<u>(182,961)</u>	<u>2,850,257</u>
<b>Net Position - Beginning, as previously reported</b>					39,113,827	(178,133)	38,935,694
Fund reclassification					(44,468)	-	(44,468)
Prior period adjustments					476,300	(21,389)	454,911
<b>Net Position - Beginning, as restated</b>					<u>39,545,659</u>	<u>(199,522)</u>	<u>39,346,137</u>
<b>Net Position - Ending</b>					<u>\$ 42,578,877</u>	<u>\$ (382,483)</u>	<u>\$ 42,196,394</u>

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

**GREENE COUNTY, MISSISSIPPI**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2021**

	<b>Major Funds</b>			
	<b>General Fund</b>	<b>Hurricane Zeta Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>				
Cash	\$ 3,086,330	\$ -	\$ 3,523,255	\$ 6,609,585
Cash with fiscal agent	-	-	376,566	376,566
Property tax receivable	4,148,474	-	3,722,587	7,871,061
Fines receivable (net of allowance for uncollectibles of \$532,880)	242,318	-	-	242,318
Intergovernmental receivables	90,379	2,403,091	-	2,493,470
Other receivables	3,828	-	19,460	23,288
Due from other funds	10,110	-	59,133	69,243
Advances to other funds	490,435	-	671,831	1,162,266
Total Assets	<u>\$ 8,071,874</u>	<u>\$ 2,403,091</u>	<u>\$ 8,372,832</u>	<u>\$ 18,847,797</u>
<b>Liabilities</b>				
Claims payable	\$ 163,449	\$ -	\$ 104,684	\$ 268,133
Intergovernmental payable	236,264	-	-	236,264
Due to other funds	88,010	10,110	36,131	134,251
Advances from other funds	362,260	-	960,557	1,322,817
Amounts held in custody for others	13,035	-	-	13,035
Other payables	212,003	-	-	212,003
Total Liabilities	<u>1,075,021</u>	<u>10,110</u>	<u>1,101,372</u>	<u>2,186,503</u>
<b>Deferred Inflows of Resources</b>				
Unavailable revenue - property taxes	4,148,474	-	3,722,587	7,871,061
Unavailable revenue - fines	242,318	-	-	242,318
Total Deferred Inflows of Resources	<u>4,390,792</u>	<u>-</u>	<u>3,722,587</u>	<u>8,113,379</u>
<b>Fund Balances</b>				
<b>Nonspendable:</b>				
Advances	490,435	-	-	490,435
<b>Restricted for:</b>				
General government	-	2,392,981	116,493	2,509,474
Public safety	-	-	186,714	186,714
Public works	-	-	2,349,643	2,349,643
Health and welfare	-	-	362,543	362,543
Culture and recreation	-	-	21,871	21,871
Economic development and assistance	-	-	147,047	147,047
Debt service	-	-	364,562	364,562
<b>Unassigned</b>	<u>2,115,626</u>	<u>-</u>	<u>-</u>	<u>2,115,626</u>
Total Fund Balances	<u>2,606,061</u>	<u>2,392,981</u>	<u>3,548,873</u>	<u>8,547,915</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 8,071,874</u>	<u>\$ 2,403,091</u>	<u>\$ 8,372,832</u>	<u>\$ 18,847,797</u>

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

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

<b>Total Fund Balance - Governmental Funds</b>	\$ 8,547,915
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 \$108,349,476.	50,789,640
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the funds.	242,318
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(8,639,243)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(6,557,159)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(61,638)
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	758,365
Deferred inflows of resources related to pensions	(2,501,321)
<b>Total Net Position - Governmental Activities</b>	<u><u>\$ 42,578,877</u></u>

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

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

	<b>Major Funds</b>			<b>Total</b>
	<b>General Fund</b>	<b>Hurricane Zeta Fund</b>	<b>Other Governmental Funds</b>	<b>Governmental Funds</b>
<b>Revenues</b>				
Property taxes	\$ 4,369,615	\$ -	\$ 4,414,832	\$ 8,784,447
Road and bridge privilege taxes	-	-	110,234	110,234
Licenses, commissions, and other revenue	131,725	-	5,231	136,956
Fines and forfeitures	275,562	-	24,051	299,613
Intergovernmental revenues	621,790	2,443,792	1,974,603	5,040,185
Charges for services	-	-	136,742	136,742
Interest income	10,167	8	1,947	12,122
Miscellaneous revenues	937,711	-	85,072	1,022,783
Total Revenues	6,346,570	2,443,800	6,752,712	15,543,082
<b>Expenditures</b>				
<b>Current:</b>				
General government	3,618,460	2,512,615	207,704	6,338,779
Public safety	1,149,996	-	657,401	1,807,397
Public works	1,647	-	4,569,720	4,571,367
Health and welfare	90,658	-	-	90,658
Culture and recreation	79,034	-	41,626	120,660
Conservation of natural resources	136,429	-	7,029	143,458
Economic development	-	-	33,033	33,033
<b>Debt service:</b>				
Principal	130,115	-	1,391,504	1,521,619
Interest	9,120	-	221,535	230,655
Total Expenditures	5,215,459	2,512,615	7,129,552	14,857,626
Excess of Revenues over (under) Expenditures	1,131,111	(68,815)	(376,840)	685,456
<b>Other Financing Sources (Uses)</b>				
Long-term capital debt issued	180,264	2,461,796	1,372,411	4,014,471
Proceeds from sale of capital assets	45,775	-	678,211	723,986
Compensation for loss of capital assets	62,647	-	40,425	103,072
Transfers out	(88,727)	-	-	(88,727)
Total Other Financing Sources and Uses	199,959	2,461,796	2,091,047	4,752,802
Net Changes in Fund Balances	1,331,070	2,392,981	1,714,207	5,438,258
<b>Fund Balances - Beginning, as previously reported</b>	1,160,227	-	1,834,666	2,994,893
Fund reclassification	(44,468)	-	-	(44,468)
Prior period adjustment	159,232	-	-	159,232
<b>Fund Balances - Beginning, as restated</b>	1,274,991	-	1,834,666	3,109,657
<b>Fund Balances - Ending</b>	<u>\$ 2,606,061</u>	<u>\$ 2,392,981</u>	<u>\$ 3,548,873</u>	<u>\$ 8,547,915</u>

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



**GREENE COUNTY, MISSISSIPPI**  
**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**

**Net Changes in Fund Balances - Governmental Funds** \$ 5,438,258

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 and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlays of \$1,649,055 exceeded depreciation of \$967,622 in the current period. 681,433

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 \$237,975 and the proceeds from the sale of \$723,986 in the current period. (486,011)

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. (15,424)

Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt proceeds of \$4,014,471 exceeded debt repayments of \$1,521,619. (2,492,852)

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:

Decrease in accrued interest payable	3,507
Amortization of bond discount	(4,822)
Increase in compensated absences payable	(1,517)

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	(215,566)
Recording of contributions made during the year	126,212

**Change in Net Position of Governmental Activities** \$ 3,033,218

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

**GREENE COUNTY, MISSISSIPPI**  
**Statement of Net Position**  
**Proprietary Fund**  
**September 30, 2021**

	<b>Business-type Activities Enterprise Fund Solid Waste Fund</b>
<b>Assets</b>	
Current assets:	
Cash	\$ 33,832
Property tax receivable	395,000
Accounts receivable (net of allowance for uncollectibles of \$623,479)	205,801
Due from other funds	2,120
Total Current Assets	<u>636,753</u>
Noncurrent assets:	
Capital assets:	
Land	6,040
Other capital assets, net	193,724
Total Noncurrent Assets	<u>199,764</u>
Total Assets	<u>836,517</u>
<b>Deferred Outflows of Resources</b>	
Deferred outflows related to pensions	25,582
Total Deferred Outflows of Resources	<u>25,582</u>
<b>Liabilities</b>	
Current liabilities:	
Claims payable	55,053
Advances from other funds	21,504
Unearned revenue	38,240
Capital debt:	
Capital leases payable	33,727
Total Current Liabilities	<u>148,524</u>
Noncurrent liabilities:	
Capital debt:	
Capital leases payable	135,316
Non-capital debt:	
Compensated absences payable	227
Net pension liability	481,138
Total Noncurrent Liabilities	<u>616,681</u>
Total Liabilities	<u>765,205</u>
<b>Deferred Inflows of Resources</b>	
Deferred inflows related to pensions	84,377
Deferred inflows related to property taxes	395,000
Total Deferred Inflows of Resources	<u>479,377</u>
<b>Net Position</b>	
Net investment in capital assets	30,721
Unrestricted	(413,204)
Total Net Position	<u>\$ (382,483)</u>

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

**GREENE COUNTY, MISSISSIPPI**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Fund**  
**For the Year Ended September 30, 2021**

	<b>Business-type Activities - Enterprise Fund Solid Waste Fund</b>
<b>Operating Revenues</b>	
Charges for services	\$ 475,358
Miscellaneous	2,200
Total Operating Revenues	<u>477,558</u>
<b>Operating Expenses</b>	
Personal services	161,430
Contractual services	520,468
Materials and supplies	65,973
Depreciation expense	78,967
Pension expense	7,272
Total Operating Expenses	<u>834,110</u>
Operating Income (Loss)	<u>(356,552)</u>
<b>Nonoperating Revenues (Expenses)</b>	
Property tax	212,617
Interest income	8
Gain (loss) on sale of capital assets	(123,337)
Interest expense	(4,424)
Net Nonoperating Revenues (Expenses)	<u>84,864</u>
Net Income (Loss) Before Transfers	<u>(271,688)</u>
Transfers in	<u>88,727</u>
Changes in Net Position	<u>(182,961)</u>
<b>Net Position - Beginning, as previously reported</b>	(178,133)
<b>Prior period adjustment</b>	(21,389)
<b>Net Position - Beginning, as restated</b>	<u>(199,522)</u>
<b>Net Position - Ending</b>	<u><u>\$ (382,483)</u></u>

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

**GREENE COUNTY, MISSISSIPPI**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**For the Year Ended September 30, 2021**

	<b><u>Business-type Activities - Enterprise Fund</u></b>
	<b><u>Solid Waste Funds</u></b>
<b>Cash Flows From Operating Activities</b>	
Receipts from customers	\$ 468,754
Payments to suppliers	(560,214)
Payments to employees	(166,312)
Other operating cash receipts	2,200
Net Cash Provided (Used) by Operating Activities	<u>(255,572)</u>
<b>Cash Flows From Noncapital Financing Activities</b>	
Cash received from property taxes	212,657
Cash received from other funds:	
Operating transfers in	88,727
Net Cash Provided (Used by) Noncapital Financing Activities	<u>301,384</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Proceeds from sale of capital assets	34,523
Principal paid on long-term debt	(65,184)
Interest paid on debt	(4,424)
Net Cash Provided (Used by) Capital and Related Financing Activities	<u>(35,085)</u>
<b>Cash Flows from Investing Activities</b>	
Interest on deposits	8
Net Cash Provided (Used) by Investing Activities	<u>8</u>
Net Increase (Decrease) in Cash and Cash Equivalents	10,735
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>23,097</u>
<b>Cash and Cash Equivalents at Ending of Year</b>	<u><u>\$ 33,832</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used by) Operating Activities:</b>	
Operating income (loss)	<u>\$ (356,552)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	78,967
Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(4,889)
(Increase) decrease in deferred outflows of resources	18,984
Increase (decrease) in net pension liability	(81,319)
Increase (decrease) in claims payable	26,227
Increase (decrease) in compensated absences liability	(623)
Increase (decrease) in deferred inflows of resources	65,349
Increase (decrease) in unearned revenue	(1,716)
Total Adjustments	<u>100,980</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (255,572)</u></u>

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

**GREENE COUNTY, MISSISSIPPI**  
**Statement of Fiduciary Net Position**  
**September 30, 2021**

	Custodial Funds
<b>Assets</b>	
Cash and investments	\$ 348,932
Receivables:	
Due from other funds	62,888
Advances to other funds	187,000
Total Assets	<u>598,820</u>
<b>Liabilities</b>	
Intergovernmental payables	270,759
Advances from other funds	4,945
Total Liabilities	<u>275,704</u>
<b>Net Position</b>	
Restricted for:	
Individuals, organizations and other governments	323,116
Total Net Position	<u>\$ 323,116</u>

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

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

	Custodial Funds
<b>Additions</b>	
Tax collections for other governments	\$ 704,798
Total Additions	<u>704,798</u>
<b>Deductions</b>	
Payments of tax to other governments	<u>590,935</u>
Total Deductions	<u>590,935</u>
Net Increase (Decrease) in Fiduciary Net Position	<u>113,863</u>
<b>Net Position - Beginning, as previously reported</b>	324,017
Prior period adjustment	(159,232)
Fund reclassification	<u>44,468</u>
<b>Net Position - Beginning, as restated</b>	<u>209,253</u>
<b>Net Position - Ending</b>	<u>\$ 323,116</u>

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

## **GREENE COUNTY, MISSISSIPPI**

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

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

##### **A. Financial Reporting Entity.**

Greene 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 the County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County. There are no outside organizations that should be included as component units of the County's reporting entity.

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. 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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues and are reported separately from business-type activities. Business-type activities rely mainly on fees and charges for support.

The Statement of Net Position presents the financial condition of the governmental activities and business-type activities of the County at year-end. The Government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the County's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program or department and therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other revenues not classified as program revenues, are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business-type activity or governmental function is self-financing or draws from the general revenues of the County.

###### **Fund Financial Statements:**

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

## GREENE COUNTY, MISSISSIPPI

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

Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column as Other Governmental Funds.

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

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

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

Governmental financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period when they are both measurable and available to finance operations during the year or to liquidate liabilities existing at the end of the year. Available means collected in the current period 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.

Hurricane Zeta Fund - This fund is used to account for activities related to federal grant FALN 97.036, Disaster Grants - Public Assistance (Presidentially Declared Disasters).

The County reports the following major Enterprise Fund:

Solid Waste Fund - This fund is used to account for the County's activities of disposal of solid waste within the County.

Additionally, the County reports the following fund types:

#### GOVERNMENTAL FUND TYPES

Special Revenue Funds - These funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

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

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



## GREENE COUNTY, MISSISSIPPI

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

#### 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.

#### **D. Account Classifications.**

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

#### **E. Deposits and Investments.**

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

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

#### **F. Receivables.**

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

#### **G. Interfund Transactions and Balances.**

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

#### **H. Restricted Assets.**

Governmental Fund assets required to be held and/or used as specified in bond indentures, bond resolutions, trustee agreements, board resolutions, and donor specifications have been reported as restricted assets. Certain proceeds of the County's governmental fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "debt service reserve" account is used to report resources set aside to subsidize potential deficiencies from the County's operation that could adversely affect debt service payments. When both restricted and nonrestricted assets are available for use, the policy is to use the restricted assets first.

## GREENE COUNTY, MISSISSIPPI

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

#### 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. The County did not maintain adequate subsidiary records documenting the existence, completeness, and valuation of capital assets or the County's infrastructure or records documenting depreciation on applicable assets. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital assets, other than infrastructure, costs have been estimated and the methods of estimation are not readily available. Donated capital assets are recorded at estimated fair market value at the time of donation. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

Governmental accounting and financial reporting standards allow governments meeting certain criteria to elect not to report major general infrastructure assets retroactively. Greene County, Mississippi 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. Donated capital assets are recorded at their fair value at the time of donation.

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

	Capitalization Thresholds	Estimated Useful Life
Land	\$ -	N/A
Infrastructure	-	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 13 for additional details.

## GREENE COUNTY, MISSISSIPPI

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

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.

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 13 for additional details.

#### **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 bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, the face amount of the debt issued is reported as other financing sources.

#### **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.

## GREENE COUNTY, MISSISSIPPI

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

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

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

#### Net Position Flow Assumption:

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

#### Fund Financial Statements:

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

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

*Nonspendable fund balance* includes amounts that cannot be spent. This includes amounts that are either not in a spendable form (inventories, prepaid amounts, long-term portion of loans/notes receivable, or property held for resale unless the proceeds from the collection of those receivables or from the sale of those properties are restricted, committed or assigned) or amounts that are legally or contractually required to be maintained intact, such as a principal balance of a permanent fund.

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

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

#### Fund Balance Flow Assumption:

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

## GREENE COUNTY, MISSISSIPPI

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

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

Accounting principles generally accepted in the United States of America require property taxes to be recognized at the levy date if measurable and available. All property taxes are recognized as revenue in the year for which they are levied. Motor vehicle and mobile home taxes do not meet the measurability and 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 Statement No. 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).**

The Payroll Clearing fund's beginning fund balance of (\$44,468) was reclassified from Fiduciary Funds to the General Fund on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds and the Governmental Activities on the Statement of Activities in order to comply with GASB Statement No. 84, *Fiduciary Activities*.

#### **(3) Prior Period Adjustment.**

A summary of the significant net position adjustments is as follows:

Exhibit 2 - Statement of Activities.

Explanation	Amount
Governmental Activities:	
To correct prior years' errors in recording capital assets.	\$ 360,761
To correct prior years' payroll clearing cash balance.	159,232
To record the prior years' portion of compensated absences payable.	(84,768)
To correct prior year's balance in fines receivables.	41,075
Total prior period adjustments - Governmental Activities	<u>\$ 476,300</u>

# GREENE COUNTY, MISSISSIPPI

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

Exhibit 2 - Statement of Activities, continued.

Business-type Activities:	
To correct prior years' errors in recording capital assets.	\$ (20,539)
To record the prior years' portion of compensated absences payable.	(850)
Total prior period adjustments - Business-type Activities	<u>\$ (21,389)</u>

Exhibit 4 - Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds.

Explanation	Amount
General Fund:	
To correct prior years' payroll clearing cash balance.	\$ 159,232
Total prior period adjustment - General Fund	<u>\$ 159,232</u>

Exhibit 6 - Statement of Revenues, Expenditures, and Changes in Net Position - Proprietary Fund.

Explanation	Amount
General Fund:	
To correct prior years' errors in recording capital assets.	\$ (20,539)
To record the prior years' portion of compensated absences payable.	(850)
Total prior period adjustments - Proprietary Fund.	<u>\$ (21,389)</u>

Exhibit 9 - Statement of Changes in Fiduciary Net Position.

Explanation	Amount
Custodial Fund:	
To correct prior years' payroll clearing cash balance.	\$ (159,232)
Total prior period adjustment - Custodial Funds	<u>\$ (159,232)</u>

### (4) Deposits and Cash with Fiscal Agents.

#### Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2021, was \$6,992,349, and the bank balance was \$7,438,351. 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).

**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.

#### Cash with Fiscal Agents:

The carrying amount of the County's cash with fiscal agents held by financial institutions was \$376,566.

**GREENE COUNTY, MISSISSIPPI**

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

**(5) Interfund Transactions and Balances.**

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

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

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

Receivable Fund	Payable Fund	Amount
General Fund	Hurricane Zeta Fund	\$ 10,110
Other Governmental Funds	General Fund	59,133
Solid Waste	General Fund	2,120
Custodial Funds	General Fund	26,757
Custodial Funds	Other Governmental Funds	36,131
Total		<u>\$ 134,251</u>

The receivable to the general fund represents the elimination of a negative cash balance due to the timing of reimbursement. The receivables to the other governmental funds and solid waste fund represent the tax revenue collected in September 2021, but not settled until October 2021. The receivable to the agency funds represents an error by the County in sharing additional privilege tax with the local school districts. All interfund balances are expected to be repaid within one year from the date of the financial statements.

**B. Advances To/From Other Funds:**

**B. Advances To/From Other Funds:**

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 465,408
General Fund	Solid Waste Fund	21,504
General Fund	Custodial Funds	3,523
Other Governmental Funds	General Fund	361,960
Other Governmental Funds	Other Governmental Funds	309,871
Custodial Funds	General Fund	300
Custodial Funds	Other Governmental Funds	185,278
Custodial Funds	Custodial Funds	1,422
Total		<u>\$ 1,349,266</u>

The interfund advances balances consist of operating loans and errors in posting revenue from previous years.

**C. Transfers In/Out:**

Transfers In	Transfers Out	Amount
Solid Waste Fund	General Fund	\$ 88,727
Total		<u>\$ 88,727</u>

The principal purpose of the interfund transfer was to provide operating revenue. This interfund transfer was routine and consistent with the activities of the fund making the transfer.

**GREENE COUNTY, MISSISSIPPI**

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

**(6) Intergovernmental Receivables.**

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

Description	Amount
<b>Governmental Activities:</b>	
General Fund	
Legislative tax credit	\$ 73,436
PERS	4,243
Inmate housing	2,400
Police services	10,300
Hurricane Zeta Fund	
Grant reimbursement	2,403,091
Total Governmental Activities	<u>\$ 2,493,470</u>

**(7) Restricted Assets.**

Restricted assets are presented as cash with fiscal agents on the financial statements. The balances of the restricted asset accounts in the governmental funds are as follows:

Debt Service Reserve	\$ 376,519
General Account	47
Total Restricted Assets	<u>\$ 376,566</u>

**(8) 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	Completed Construction In Progress	Adjustments *	Balance Sept. 30, 2021
<u>Non-depreciable Capital Assets:</u>						
Land	\$ 133,458	\$ 3,400	\$ -	\$ -	\$ 67,030	\$ 203,888
Construction in Progress	1,258,865	31,551	-	(1,290,416)	-	-
Total Non-depreciable Capital Assets	<u>1,392,323</u>	<u>34,951</u>	<u>-</u>	<u>(1,290,416)</u>	<u>67,030</u>	<u>203,888</u>
<u>Depreciable Capital Assets:</u>						
Infrastructure	141,882,102	-	-	1,290,416	-	143,172,518
Buildings	7,100,623	-	-	-	116,075	7,216,698
Mobile Equipment	4,861,915	156,214	854,177	-	220,999	4,384,951
Furniture & Equipment	593,610	85,479	68,000	-	383,099	994,188
Leased Property under Capital Lease	2,643,235	1,372,411	340,013	-	(508,760)	3,166,873
Total Depreciable Capital Assets	<u>157,081,485</u>	<u>1,614,104</u>	<u>1,262,190</u>	<u>1,290,416</u>	<u>211,413</u>	<u>158,935,228</u>
<u>Less Accumulated Depreciation for:</u>						
Infrastructure	98,647,500	361,680	-	-	-	99,009,180
Buildings	4,620,485	93,719	-	-	(180,210)	4,533,994
Mobile Equipment	3,561,558	285,880	501,549	-	24,691	3,370,580
Furniture & Equipment	556,230	33,876	66,420	-	368,869	892,555
Leased Property under Capital Lease	854,578	192,467	208,210	-	(295,668)	543,167
Total Accumulated Depreciation	<u>108,240,351</u>	<u>967,622</u>	<u>776,179</u>	<u>-</u>	<u>(82,318)</u>	<u>108,349,476</u>
Depreciable Capital Assets, Net	<u>48,841,134</u>	<u>646,482</u>	<u>486,011</u>	<u>1,290,416</u>	<u>293,731</u>	<u>50,585,752</u>
Governmental Activities Capital Assets, Net	<u>\$ 50,233,457</u>	<u>\$ 681,433</u>	<u>\$ 486,011</u>	<u>\$ -</u>	<u>\$ 360,761</u>	<u>\$ 50,789,640</u>



# GREENE COUNTY, MISSISSIPPI

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

### Business-type Activities:

	Balance Oct. 1, 2020	Additions	Deletions	Adjustments *	Balance Sept. 30, 2021
<u>Non-depreciable Capital Assets:</u>					
Land	\$ 6,040	\$ -	\$ -	\$ -	\$ 6,040
Total Non-depreciable Capital Assets	6,040	-	-	-	6,040
<u>Depreciable Capital Assets:</u>					
Buildings	206,000	-	-	-	206,000
Mobile Equipment	40,549	-	351,000	351,493	41,042
Furniture & Equipment	68,603	-	-	(23,603)	45,000
Leased Property under Capital Lease	556,088	-	-	(327,890)	228,198
Total Depreciable Capital Assets	871,240	-	351,000	-	520,240
<u>Less Accumulated Depreciation for:</u>					
Buildings	164,800	-	-	-	164,800
Mobile Equipment	74,735	72,667	193,140	84,800	39,062
Furniture & Equipment	57,567	6,300	-	(23,367)	40,500
Leased Property under Capital Lease	123,048	-	-	(40,894)	82,154
Total Accumulated Depreciation	420,150	78,967	193,140	20,539	326,516
Depreciable Capital Assets, Net	451,090	(78,967)	157,860	(20,539)	193,724
Business-type Activities Capital Assets, Net	\$ 457,130	\$ (78,967)	\$ 157,860	\$ (20,539)	\$ 199,764

\* Adjustments were made to correct errors in recording capital assets and to reclassify capital assets previously in leased property under capital lease to correct classification.

Depreciation expense was charged to the following functions:

### Governmental Activities:

General Government	\$ 119,239
Public Safety	35,793
Public Works	808,821
Culture and Recreation	3,769
Total Depreciation Expense - Governmental Activities	<u>\$ 967,622</u>

### Business-type Activities:

Solid Waste Fund	<u>\$ 78,967</u>
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### (9) Claims and Judgments.

Risk Financing.

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

### (10) Operating Leases.

As Lessor:

Greene County entered into a lease agreement with the George Regional Health System dated October 27, 2007. George Regional Health System leased the premises of Greene County Hospital for the purpose of operating the health care facility, including but not limited to, a hospital, twenty-four hour emergency department and a nursing home.

## GREENE COUNTY, MISSISSIPPI

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

The lease commenced on January 1, 2008 and terminated on December 31, 2017. The annual rental, for the first five years shall be \$498,000 payable in twelve equal installments in advance on the first day of each month for the month's rental. The annual rent, for years 6-10, shall increase by \$5,000 per year wherein the annual rental shall total \$503,000 for year 6, \$508,000 for year 7, \$513,000 for year 8, \$518,000 for year 9, and \$523,000 for year 10.

The lease contains two options to renew for an additional ten years each, for a total of twenty years after the initial term at a rental equaling the amount of the initial rent, plus the compounded annual adjustments, which said adjustments (said adjustments being an increase of \$5,000 per year) shall continue through the initial term and each renewal lease to be in the same as those in this lease agreement. The parties agree that this agreement shall automatically renew or extend for a period of ten years after the initial term in accordance with the agreement, unless George Regional Health Facility gives the County written notice of its intention to terminate this lease agreement at least ninety days before the lease agreement expires.

Greene County entered into an amendment to this agreement on September 15, 2011. The Lessor will acquire \$4,000,000 for expansion of the facility which will be amortized over thirty years. As consideration for acquiring the debt, and making improvements to the facility, the lessee will pay \$15,000 per month, in addition to the original lease agreement. The first payment for the debt associated with the expansion shall be in November 2012, or whenever the lessee occupies the new space, whichever is sooner.

Greene County entered into an amendment to this agreement on August 21, 2013. The lessee shall pay an additional \$1,000 per month to the lessor. This amount shall be in addition to any and all amounts due. The term of this agreement shall run concurrently with and be identical to the term of the original lease, and any all amendments or modifications in place now, or hereafter, made. Further, if the facility is not accepted on the date the monthly payment is normally made, all payment obligations shall be pro-rated accordingly.

On November 5, 2018, Greene County voted to approve the renewal of the contract with George Regional Health System for the Greene County Hospital Facility for an additional 10 years.

Greene County entered into a lease agreement with the George Regional Health System dated May 7, 2018. George Regional Health System leased the premises of a free-standing laundry building for the purpose of operating a laundry for the hospital. The lease commenced on February 20, 2014 and terminated on February 20, 2019. The monthly rental of \$2,567 is payable on the first day of the month, for that month's rental, during the term of this lease agreement.

On March 5, 2018, Greene County voted to approve the updated contract between Greene County and George Regional Health System for the laundry building that dictated rent will be \$1,500 per month plus insurance with an annual increase of 3% due to inflation with an effective date of April 1, 2019.

The County received income from property it leases under non-cancellable operating leases. Total income from such leases was \$744,638 for the year ended September 30, 2021. The future minimum lease receivables for these leases are as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2022	\$ 757,601
2023	762,237
2024	767,055
2025	753,333
2026	758,333
2027-2031	1,531,667
Total Minimum Payments Required	<u>\$ 5,330,226</u>

As Lessee:

On April 29, 2013, Greene County entered into a non-cancellable operating lease agreement with First State Bank for the lease of rental property owned by First State Bank for the purpose of the Veterans Affairs Office. The

**GREENE COUNTY, MISSISSIPPI**

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

operating lease stipulated that the lessee would pay approximately \$500 per month in lease payments for a term of three years. On April 1, 2016, the County renewed this lease agreement with First State Bank for a term beginning April 1, 2016, and terminating on or before the first Monday in June 2022. The County has entered into certain operating leases which do not give rise to property rights. Total cost for such leases were \$2,000 for the year ended September 30, 2021. The future minimum lease payments for this lease are as follows:

<u>Year Ending September 30</u>	<u>Amount</u>
2022	\$ 2,000
Total Minimum Payments Required	<u>\$ 2,000</u>

**(11) 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>	<u>Business-type Activities</u>
Mobile Equipment	\$ 3,166,873	\$ 228,198
Total	3,166,873	228,198
Less: Accumulated Depreciation	(543,167)	(82,154)
Leased Property under Capital Lease	<u>\$ 2,623,706</u>	<u>\$ 146,044</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>Business-type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 771,880	\$ 79,545	\$ 33,727	\$ 6,141
2023	536,877	49,338	135,316	889
2024	231,372	37,418	-	-
2025	559,716	28,110	-	-
2026	566,460	9,457	-	-
Total	<u>\$ 2,666,305</u>	<u>\$ 203,868</u>	<u>\$ 169,043</u>	<u>\$ 7,030</u>

**(12) Long-term Debt.**

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

<u>Description and Purpose</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>
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**Governmental Activities:**

**A. General Obligation Bonds:**

General Obligation Katrina Loan Refunding Bonds, Series 2010	\$ 140,800	4.35%	03/2022
Total General Obligation Bonds	<u>\$ 140,800</u>		

**GREENE COUNTY, MISSISSIPPI**

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

<u>Description and Purpose</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>
<b>B. Limited Obligation Bonds:</b>			
Taxable Special Obligation Bonds, Construction of Hospital 2011 Bond	\$ 3,115,000	4.86%	11/2031
Total Limited Obligation Bonds	<u>\$ 3,115,000</u>		
<b>C. Capital Leases:</b>			
2016 John Deere Tractor	\$ 3,219	2.19%	11/2021
John Deere 410L Backhoe	67,218	2.75%	04/2022
Ditcher	14,871	2.84%	06/2022
2020 Mack Granite GR64F Dump Truck	122,530	3.42%	09/2022
2020 Mack Granite GR64F Dump Truck	113,307	3.42%	09/2022
2020 Mack Dump Truck	114,741	3.37%	10/2022
John Deere 6105E Cab Tractor	54,247	2.20%	03/2023
John Deere 6105E Cab Tractor	54,305	2.20%	03/2023
John Deere 6105E Cab Tractor	54,248	2.20%	03/2023
John Deere 6105E Cab Tractor	54,248	2.20%	03/2023
2019 Mack Dump Truck	114,538	4.11%	04/2023
Dump Truck	59,000	3.59%	05/2023
Rhino Cutter	17,977	2.40%	04/2023
Rhino Cutter	17,977	2.40%	04/2023
Caterpillar 309-07 CR Excavator	136,772	3.85%	03/2025
Caterpillar 12M3 Motorgrader	235,847	3.35%	05/2025
2019 Caterpillar 12M3 Motorgrader	248,935	3.35%	09/2025
Computer Stations	151,767	2.51%	10/2025
2019 CAT 430-07 Backhoe Loader	105,870	2.99%	01/2026
CAT 430 Backhoe	117,342	2.99%	01/2026
John Deere 524 Wheel Loader	151,380	2.25%	05/2026
John Deere 450K Dozier	119,730	2.25%	06/2026
2021 CAT 140-15 Grader	270,319	2.99%	07/2026
2021 CAT 140-15 Grader	265,917	2.99%	07/2026
Total Capital Leases	<u>\$ 2,666,305</u>		
<b>D. Other Loans:</b>			
Loan - District 2 Ford F-150	\$ 13,118	4.41%	03/2023
Promissory Note - Bridge Loan	156,427	2.84%	05/2023
Promissory Note - JCJC Enlargement	47,737	2.00%	05/2022
FEMA Loan - Hurricane Zeta	2,461,796	1.75%	02/2023
Total Other Loans	<u>\$ 2,679,078</u>		
<u>Description and Purpose</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>
<b>Business-type Activities:</b>			
<b>A. Capital Leases:</b>			
2020 Mack GR64B Waste Truck	\$ 169,043	4.07%	12/2022
Total Capital Leases	<u>\$ 169,043</u>		

# GREENE COUNTY, MISSISSIPPI

## Notes to the 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		Limited Obligation Bonds	
	Principal	Interest	Principal	Interest
2022	\$ 140,800	\$ 3,062	\$ 225,000	\$ 146,800
2023	-	-	235,000	138,925
2024	-	-	245,000	128,938
2025	-	-	255,000	118,525
2026	-	-	265,000	107,688
2027-2031	-	-	1,535,000	340,026
2032-2036	-	-	355,000	18,638
Total	<u>\$ 140,800</u>	<u>\$ 3,062</u>	<u>\$ 3,115,000</u>	<u>\$ 999,540</u>

Year Ending September 30	Other Loans	
	Principal	Interest
2022	\$ 154,082	\$ 4,217
2023	2,524,996	42,028
	<u>\$ 2,679,078</u>	<u>\$ 46,245</u>

**Legal Debt Margin** - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2021, the amount of outstanding debt was equal to 2.51% of the latest property assessments.

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

	Balance Oct. 1, 2020	Additions	Reductions	Adjustments *	Balance Sept. 30, 2021	Amount Due Within One Year
<b>Governmental Activities:</b>						
Compensated Absences	\$ -	\$ 1,517	\$ -	\$ 84,768	\$ 86,285	\$ -
General Obligation Bonds	275,700	-	134,900	-	140,800	140,800
Less:						
Discounts	(53,047)	-	(4,822)	-	(48,225)	(4,823)
Limited Obligation Bonds	3,335,000	-	220,000	-	3,115,000	225,000
Capital Leases	2,101,016	1,552,675	987,386	-	2,666,305	771,880
Other Loans	396,615	2,461,796	179,333	-	2,679,078	154,082
Total	<u>\$6,055,284</u>	<u>\$4,015,988</u>	<u>\$ 1,516,797</u>	<u>\$ 84,768</u>	<u>\$ 8,639,243</u>	<u>\$ 1,286,939</u>
<b>Business-type Activities:</b>						
Compensated Absences	\$ -	\$ -	\$ 623	\$ 850	\$ 227	\$ -
Capital Leases	234,227	-	65,184	-	169,043	33,727
Total	<u>\$ 234,227</u>	<u>\$ -</u>	<u>\$ 65,807</u>	<u>\$ 850</u>	<u>\$ 169,270</u>	<u>\$ 33,727</u>

\* Adjustments represent the previous portion of compensated absences liability recorded by the county.

## GREENE COUNTY, MISSISSIPPI

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

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

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

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

Benefits Provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

Contributions. At September 30, 2021, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2021 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2021, 2020 and 2019 were \$538,759, \$555,296, and \$497,255, 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 in the Governmental Activities of \$6,557,159 and the Business-type Activities of \$481,138 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 .047619 percent, which was based on a measurement date of June 30, 2021. This was an increase of .000217 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.

# **GREENE COUNTY, MISSISSIPPI**

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

For the year ended September 30, 2021, the Governmental Activities and the Business-type activities recognized pension expense of \$215,566 and \$7,272, respectively. 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
Difference between expected and actual experience	\$ 112,322	\$ -
Net difference between projected and actual earnings on pension plan investments		2,121,423
Changes of assumptions	541,155	-
Changes in the proportion and differences between the County's contributions and proportionate share of contributions		464,275
County contributions subsequent to the measurement date	130,470	-
Total	<u>\$ 783,947</u>	<u>\$ 2,585,698</u>

\$130,470 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	\$ (458,481)
2023	(385,510)
2024	(456,592)
2025	(631,638)
Total	<u>\$ (1,932,221)</u>

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

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

Mortality rates were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

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

# GREENE COUNTY, MISSISSIPPI

## Notes to the Financial Statements For the Year Ended September 30, 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
	<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	\$ 9,967,878	\$ 7,038,297	\$ 4,624,088

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

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

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

Fund	Deficit Amount
DUI Grant Fund	\$ (14,350)
Forestry Commission Grant - Fuel Reduction Fund	(2,385)
Homeland Security Fund	(22,280)
Law Library Fund	(55,484)
Museum Archives & History Grant Fund	(34,965)
Solid Waste Fund	(382,483)
Total Deficits	<u>\$ (511,947)</u>



## **GREENE COUNTY, MISSISSIPPI**

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

#### **(15) 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.

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

The governmental activities' unrestricted net position amount of (\$8,642,019) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pensions in the amount of \$126,212 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 \$632,153 balance of the deferred outflow of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next 3.00 years. The \$2,501,321 balance of the deferred inflow of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next 4.00 years.

The business-type activities' unrestricted net position amount of (\$413,204) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pensions in the amount of \$4,258 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 \$21,324 balance of the deferred outflow of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next 3.00 years. The \$84,377 balance of the deferred inflow of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next 4.00 years.

#### **(17) Joint Ventures.**

The County participates in the following joint venture:

Greene County, Mississippi is a participant with the Counties of Perry and Stone in a joint venture, authorized by Section 39-3-9, Miss. Code Ann. (1972), to operate the Pine Forest Regional Library. The joint venture was created to provide free public library service to citizens of the respective counties and is governed by a six-member board. Each County appoints two board members. By contractual agreement the County's appropriation to the joint venture was \$65,000. Complete financial statements for the Pine Forest Regional Library can be obtained from P. O. Box 1208; Richton, MS 39476.

#### **(18) Jointly Governed Organizations.**

The County participates in the following jointly governed organizations.

Southeast Mississippi Air Ambulance District operates in a district composed of the Counties of Covington, Forrest, Greene, Jefferson Davis, Marion, Pearl River, Perry, Stone and Walthall. The Greene County Board of Supervisors appoints one of nine members of the board of directors. There is no ongoing financial interest or responsibility for the appointing authorities. The County attributed \$32,354 for support of the district in fiscal year 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 Greene County Board of Supervisors appoints one of the 27 members of the board of directors. The County contributed \$24,624 for support of the district in fiscal year 2021.

## GREENE COUNTY, MISSISSIPPI

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

Pine Belt Mental Health Care Resources operates in a district composed of the Counties of Covington, Forest, Greene, Jefferson Davis, Jones, Lamar, Marion, Perry and Wayne. The Greene County Board of Supervisors appoints one of the nine members of the board of commissioners. The County appropriated \$21,000 for support of the entity in fiscal year 2021.

Jones County Junior College operates in a district composed of the Counties of Clarke, Covington, Greene, Jasper, Jones, Perry, Smith and Wayne. The Greene County Board of Supervisors appoints two of the 20 members of the college board of trustees. The County appropriated \$265,503 for maintenance, support and enlargement of the college in fiscal year 2021.

Mississippi Regional Housing Authority VIII operates in a district composed of the Counties of Covington, Forest, 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.

Gulf Coast Community Action Agency operates in the Counties of George, Greene, Hancock and Harrison. The agency's board is composed of 24 members, one each appointed by the Counties of George, Greene, Hancock and Harrison, and the Cities of Bay St. Louis, Biloxi, Gulfport and Pass Christian, with the remaining 16 appointed by the private sector. Most of the entity's funding comes through federal grants and the member governments provide only a modest amount of financial support when the grants require matching funds.

#### (19) Tax Abatements.

As of September 30, 2021, Greene County provides tax exempt status to one utility storage facility and one electrical contractor subject to the requirements of GASB Statement No. 77. These companies are exempt from real property taxes and personal property taxes except for levies involving the school, the mandatory mill and the community college tax levies. These exemptions are authorized under Sections 27-31-7, 27-31-104 and 27-31-105 of the Miss. Code Ann. (1972). These exemptions encourage businesses to locate or expand operations in the County and to create jobs. The amount of taxes abated during fiscal year 2021 totaled \$140,443 for the utilities storage facility and \$11,128 for the electrical contractor.

#### (20) 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 Greene County evaluated the activity of the County through June 19, 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:

Issue Date	Interest Rate	Issue Amount	Type of Financing	Source of Financing
12/1/2021	2.40%	\$ 42,000	Capital Lease	Ad Valorem Taxes
3/11/2022	3.48%	288,522	Capital Lease	Ad Valorem Taxes
6/1/2022	3.75%	54,761	Other Loan	Ad Valorem Taxes
8/1/2022	3.09%	132,824	Capital Lease	Ad Valorem Taxes
8/1/2022	4.91%	319,459	Capital Lease	Ad Valorem Taxes
9/6/2022	1.68%	1,866,422	Other Loan	Ad Valorem Taxes
9/19/2022	3.84%	240,000	Capital Lease	Ad Valorem Taxes
11/1/2022	4.68%	48,925	Other Loan	Ad Valorem Taxes
12/1/2022	4.75%	196,558	Capital Lease	Ad Valorem Taxes
12/19/2022	5.30%	255,908	Other Loan	Ad Valorem Taxes
3/1/2023	4.64%	240,000	Capital Lease	Ad Valorem Taxes

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Property taxes	\$ 4,085,974	\$ 4,367,095	\$ 4,367,095	\$ -
Licenses, commissions and other revenues	125,500	129,582	129,582	-
Fines and forfeitures	209,000	392,979	392,979	-
Intergovernmental revenues	241,600	959,749	978,190	18,441
Charges for services	10,000	-	-	-
Interest income	5,000	-	9,876	9,876
Miscellaneous revenues	832,700	969,074	957,278	(11,796)
Total Revenues	<u>5,509,774</u>	<u>6,818,479</u>	<u>6,835,000</u>	<u>16,521</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,981,202	4,047,157	4,027,622	19,535
Public safety	933,560	1,139,057	1,100,511	38,546
Health and welfare	656,414	159,544	70,539	89,005
Culture and recreation	78,606	79,880	79,380	500
Conservation of natural resources	117,107	136,996	136,996	-
Economic development and assistance	20,000	27,907	27,907	-
Total Expenditures	<u>4,786,889</u>	<u>5,590,541</u>	<u>5,442,955</u>	<u>147,586</u>
Excess of Revenues Over (Under) Expenditures	<u>722,885</u>	<u>1,227,938</u>	<u>1,392,045</u>	<u>164,107</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	-	45,775	45,775	-
Transfer in	-	110,844	110,844	-
Transfer out	-	(110,844)	(199,849)	(89,005)
Total Other Financing Sources (Uses)	<u>-</u>	<u>45,775</u>	<u>(43,230)</u>	<u>(89,005)</u>
Net Change in Fund Balance	722,885	1,273,713	1,348,815	75,102
<b>Fund Balances - Beginning</b>	<u>912,300</u>	<u>-</u>	<u>1,085,875</u>	<u>1,085,875</u>
<b>Fund Balances - Ending</b>	<u>\$ 1,635,185</u>	<u>\$ 1,273,713</u>	<u>\$ 2,434,690</u>	<u>\$ 1,160,977</u>

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

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

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Intergovernmental revenues	\$ -	\$ 59,143	\$ 40,701	\$ (18,442)
Interest income	-	-	8	8
Total Revenues	-	59,143	40,709	(18,434)
<b>EXPENDITURES</b>				
Current:				
Public works	-	2,512,614	2,512,614	-
Total Expenditures	-	2,512,614	2,512,614	-
Excess of Revenues Over (Under) Expenditures	-	(2,453,471)	(2,471,905)	(18,434)
Net Change in Fund Balance	-	(2,453,471)	(2,471,905)	(18,434)
<b>Fund Balances - Beginning</b>	-	-	-	-
<b>Fund Balances - Ending</b>	\$ -	\$ (2,453,471)	\$ (2,471,905)	\$ (18,434)

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

**GREENE COUNTY, MISSISSIPPI**  
**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>	<u>2014</u>
County's proportion of the net pension liability (asset)	0.047619%	0.047402%	0.046683%	0.045771%	0.044758%	0.043401%	0.042950%	0.041460%
County's proportionate share of the net pension liability (asset)	\$ 7,038,297	\$ 9,176,477	\$ 8,212,461	\$ 7,613,077	\$ 7,440,300	\$ 7,752,502	\$ 6,639,222	\$ 5,032,485
Covered payroll	\$ 3,096,313	\$ 3,191,356	\$ 3,067,267	\$ 2,964,964	\$ 2,871,244	\$ 2,776,470	\$ 2,722,768	\$ 2,505,816
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	227.31%	287.54%	267.75%	256.77%	259.13%	279.22%	243.84%	200.83%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	61.59%	62.54%	61.49%	74.17%	61.70%	67.21%

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

\* 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.



**GREENE COUNTY, MISSISSIPPI**  
**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>	<u>2014</u>
Contractually required contribution	\$ 538,759	\$ 555,296	\$ 497,255	\$ 466,982	\$ 452,947	\$ 437,091	\$ 428,836	\$ 394,666
Contributions in relation to the contractually required contribution	<u>538,759</u>	<u>555,296</u>	<u>497,255</u>	<u>466,982</u>	<u>452,947</u>	<u>437,091</u>	<u>428,836</u>	<u>394,666</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,096,313	\$ 3,191,356	\$ 3,067,267	\$ 2,964,964	\$ 2,875,835	\$ 2,775,181	\$ 2,722,768	\$ 2,505,816
Contributions as a percentage of covered payroll	17.40%	17.40%	16.21%	15.75%	15.75%	15.75%	15.75%	15.75%

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

\* 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.

# GREENE COUNTY, MISSISSIPPI

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

### UNAUDITED

#### A. Budgetary Information.

Statutory requirements dictate how and when the County's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the County, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff 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:

	<b>Governmental Fund Types</b>	
	<b>General Fund</b>	<b>Hurricane Zeta Fund</b>
<b>Budget (Cash Basis)</b>	\$ 1,348,815	\$ (2,471,905)
Increase (Decrease)		
Net adjustments for revenue accruals	(488,430)	2,403,091
Net adjustments for expenditure accruals	227,496	(1)
Other reconciling items	243,189	2,461,796
<b>GAAP Basis</b>	<u>\$ 1,331,070</u>	<u>\$ 2,392,981</u>

## GREENE COUNTY, MISSISSIPPI

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

#### UNAUDITED

#### D. Excess of Actual Expenditures Over Budget in Individual Funds.

The following funds had an excess of actual expenditures over budget for the year ended September 30, 2021:

<u>Fund</u>	<u>Excess</u>
General County	\$ (77,575)
Road District Three Fund	(15,625)
Road District Four Fund	(5,754)
Road District Five Fund	(2,548)

The funds listed above are in violation of Section 19-11-17, Miss. Code Ann. (1972). However, the County has no liability associated with this violation.

#### 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.

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

## **GREENE COUNTY, MISSISSIPPI**

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

#### **UNAUDITED**

##### 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.

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.

## GREENE COUNTY, MISSISSIPPI

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

#### UNAUDITED

The percentage of active member disabilities assumed to be in the line of duty increased from 9% to 12%.  
The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.

#### **B. Changes in benefit provisions.**

##### 2016

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

Method and assumptions used in calculations of actuarially determined contributions. The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2019 valuation for the June 30, 2021 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	28.8 years
Asset valuation method	5-year smoothed market
Price Inflation	2.75 percent
Salary increase	3.00 percent to 18.25 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

## **SUPPLEMENTARY INFORMATION**

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**GREENE COUNTY, MISSISSIPPI**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2021**

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
<b><u>U.S. Department of Agriculture</u></b>			
Passed-through the Mississippi State Treasurer's Office/ Forest Service Schools and Roads Cluster:			
Schools and Roads - Grants to States	10.665	N/A	\$ 170,219
Total Passed-through the Mississippi State Treasurer's Office/ Forest Service Schools and Roads Cluster			<u>170,219</u>
<b>Total U.S. Department of Agriculture</b>			<u><u>170,219</u></u>
<b><u>U.S. Department of the Treasury</u></b>			
Coronavirus Relief Fund	21.019	N/A	299,310
<b>Total U.S. Department of the Treasury</b>			<u><u>299,310</u></u>
<b><u>U.S. Department of Homeland Security</u></b>			
Passed-through the Mississippi Emergency Management Agency			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	4576-DR-MS	2,319,917 *
Total Passed-through the Mississippi Emergency Management Agency			<u>2,319,917</u>
<b>Total U.S. Department of Homeland Security</b>			<u><u>2,319,917</u></u>
<b>Total Expenditures of Federal Awards</b>			<b>\$ <u><u>2,789,446</u></u></b>

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**Note A - Basis Presentation**

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Greene 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 Greene County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Greene County.

**Note B - Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the 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**

Greene County has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

\* Denotes major federal award program



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## **OTHER INFORMATION**

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

<b>Name</b>	<b>Position</b>	<b>Company</b>	<b>Bond</b>
James J. Radcliff	Supervisor District 1	Liberty National	\$ 100,000
Elton Lewis Clark	Supervisor District 2	Liberty National	100,000
Wayburn D. Smith	Supervisor District 3	Liberty National	100,000
Wayne Barrow	Supervisor District 4	Ohio Casualty	100,000
Gary F. Fairly	Supervisor District 5	Liberty National	100,000
Tyson Moreno	County Comptroller	Liberty National	100,000
Michelle Eubanks	Chancery Clerk	Liberty National	100,000
Patti Zehner	Deputy Chancery Clerk	Liberty National	75,000
Crystal M. Johnson	Deputy Chancery Clerk	Liberty National	75,000
Lavon Pringle	Purchase Clerk	Ohio Casualty/Liberty National	75,000
Angela Pearce	Receiving Clerk	Ohio Casualty	75,000
Harvey Grimes	Assistant Receiving Clerk	Ohio Casualty	75,000
Dorothy Woods	Assistant Receiving Clerk	Western Surety	75,000
Pascal Walters	Assistant Receiving Clerk	Ohio Casualty	75,000
Kenneth R. Dixon	Assistant Receiving Clerk	Liberty National	75,000
Gerald Thompson	Assistant Receiving Clerk	Liberty National	75,000
Patti Zehner	Inventory Control Clerk	Ohio Casualty	75,000
Angela Pearce	Solid Waste Receiving Clerk	Ohio Casualty	75,000
Harvey Grimes	Road Manager	Ohio Casualty	50,000
Dorothy Woods	Road Manager	Western Surety	75,000
Pascal Walters	Road Manager	Ohio Casualty	75,000
Luke Silas	Road Manager	Ohio Casualty	75,000
Christine Adcock	Road Manager	Ohio Casualty	75,000
Kenneth R. Dixon	Road Manager	Liberty National	75,000
Lewis C. Hillman	Road Manager	Liberty National	75,000
Ryan Walley	Constable	Ohio Casualty	50,000
Shannon Busby	Constable	Ohio Casualty	75,000
Cecilia Bounds	Circuit Clerk	Ohio Casualty	100,000
Renee Green	Deputy Circuit Clerk	Ohio Casualty	75,000
Pertina Benjamin	Deputy Circuit Clerk	Ohio Casualty	75,000
Stanley McLeod	Sheriff	Ohio Casualty	100,000
James Warrick	Sheriff's Deputy	Ohio Casualty	75,000
James A. Kelley	Sheriff's Deputy	Ohio Casualty	75,000
William Anglin	Sheriff's Deputy	Ohio Casualty	75,000
Benjamin Brown	Sheriff's Deputy	Ohio Casualty	75,000
Robert Bundick	Sheriff's Deputy	Ohio Casualty	50,000
William Darr	Sheriff's Deputy	Ohio Casualty	50,000
Tommy Henderson	Sheriff's Deputy	Ohio Casualty	50,000
Shea Wilkerson	Sheriff's Deputy	Ohio Casualty	75,000
Jeffrey W. Byrd	Justice Court Judge	Ohio Casualty	75,000
Shannon Busby	Justice Court Judge	Ohio Casualty	100,000
Brenda Moreno	Justice Court Clerk	Ohio Casualty	50,000
Rita Walley	Deputy Justice Court Clerk	Ohio Casualty	75,000
Victoria Moss	Deputy Justice Court Clerk	Ohio Casualty	75,000
Mark Holder	Tax Assessor-Collector	Ohio Casualty	100,000
Vonda Matthews	Deputy Tax Assessor-Collector	Western Surety	75,000
Tammy Kittrell	Deputy Tax Assessor-Collector	Western Surety	75,000
Stanley Mathis	Solid Waste Manager	Western Surety	50,000
Ryan Walley	Solid Waste Manager	Liberty National	75,000

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# **Stephen D. Myrick C.P.A., L.L.C.**

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

Members of the Board of Supervisors  
Greene County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Greene 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 June 19, 2023. The report is qualified on the governmental activities, business-type activities and Solid Waste Fund because the County did not maintain adequate subsidiary records documenting the existence, completeness and valuation of capital assets as required by accounting principles generally accepted in the United States of America.

### **Report on Internal Control Over Financial Reporting**

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

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as 2021-001, 2021-002 and 2021-003 to be material weaknesses.

*A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as 2021-004, 2021-005, 2021-006, 2021-007, and 2021-008 to be significant deficiencies.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Greene County, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2021-001 and 2021-002.

We noted certain matters that we reported to the management of Greene County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report dated June 19, 2023, included within this document.

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

Greene County's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. Greene 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.



Stephen D. Myrick, C.P.A., L.L.C.  
Quitman, Mississippi  
June 19, 2023

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

Members of the Board of Supervisors  
Greene County, Mississippi

### **Report on Compliance for the Major Federal Program**

We have audited Greene 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 Greene County, Mississippi's major federal programs for the year ended September 30, 2021. Greene County, Mississippi's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

#### ***Management's Responsibility***

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

#### ***Auditor's Responsibility***

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

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

#### ***Opinion on the Major Federal Program***

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

#### ***Report on Internal Control Over Compliance***

Management of Greene 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 Greene 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.

A handwritten signature in black ink that reads "Stephen D. Myrick CPA LLC". The signature is written in a cursive, flowing style.

Stephen D. Myrick, C.P.A., L.L.C.  
Quitman, Mississippi  
June 19, 2023

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

Members of the Board of Supervisors  
Greene County, Mississippi

We have examined Greene 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 Greene 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 Greene 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.

The County did not maintain adequate subsidiary records documenting the existence, completeness and valuation of capital assets.

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

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

### **Inventory Control Clerk.**

1. **The Inventory Control Clerk should strengthen internal controls to ensure compliance with state statutes that require adequate capital asset subsidiary records are maintained.**

**Repeat Finding:** Yes

**Criteria:** *Section 31-7-107, Mississippi Code of 1972 Annotated*, requires the County to develop and maintain an inventory control system over capital assets to ensure that capital assets are properly accounted for.

**Condition:** As reported in the prior eighteen years' audit reports, capital asset control procedures were inadequate to ensure compliance with state statutes requiring an accurate capital asset inventory listing or adequate subsidiary records documenting existence, valuation, and completeness of capital assets. We observed the following deficiencies in the internal control system over capital assets:

- Three instances where assets were purchased but not capitalized (\$35,020 in governmental activities).
- Sixteen instances where various capital assets were added to capital assets inventory for the incorrect cost (\$107,161 in governmental activities).
- One instance where the documentation to support the estimated fair market value of a donated asset was not maintained (\$15,000 in governmental activities).
- Two instances where assets were capitalized that were below threshold (\$2,000 in governmental activities).
- Twelve instances where the useful life and salvage values used were incorrect.
- Thirteen instances where capital assets were sold but were not declared surplus and removed from capital assets inventory in a timely manner (\$1,313,569 in governmental activities).
- One instance where a capital asset was turned into the leasing company but not declared surplus and removed from capital assets inventory in a timely manner (\$237,796 in governmental activities).
- Three instances where capital assets were removed due to double recording of assets in prior years (\$36,794 in governmental activities).
- Four instances where capital assets were removed from inventory records in the current year but were disposed of in prior years (\$303,056 in governmental activities).
- Four instances where capital assets were sold that were never recorded on capital asset inventory (\$63,853).

Therefore, the opinions on the Independent Auditor's Report on the governmental activities, business-type activities, and Solid Waste Fund financial statements are qualified because we were unable to satisfy ourselves as to the fair presentation of the County's investment in capital assets.

**Cause:** The County lacks the necessary control procedures to ensure compliance with state statutes requiring the County to maintain an accurate capital asset inventory listing, as well as, related subsidiary ledgers.

**Effect:** The failure to maintain an effective internal control system over inventory could result in the reporting of inaccurate amounts and increases the possibility of loss or misappropriation of public funds.

**Recommendation:** The Board of Supervisors should establish control procedures to ensure compliance with state statutes that require the County to maintain accurate inventory records documenting the existence, valuation, and completeness of capital assets.

**Views of Responsible Official(s):** The Board of Supervisors has been working and will continue to establish control procedures to ensure compliance with statutes to maintain accuracy within inventory records.

2. **The Purchase Clerk and Board of Supervisors should maintain adequate internal controls over purchasing to ensure compliance with various purchasing requirements mandated by state statute.**

**Repeat Finding:** Yes

<b>Criteria:</b>	<p><i>Section 31-7-111, Mississippi Code of 1972 Annotated</i>, requires the purchase clerk to maintain custody of supporting documentation for purchases of the County and deems the documentation to be public record which shall be made available for inspection during reasonable hours to any person requesting the same.</p> <p><i>Section 31-7-13, Mississippi Code of 1972 Annotated</i>, known as the Mississippi Purchasing Laws requires the County to comply with the purchasing requirements in accordance with state statutes. In addition, management is responsible for establishing a proper internal control system to ensure a strong financial accountability and safeguarding of assets.</p>
<b>Condition:</b>	<p>As a result of our statistically valid random sample of sixty non-payroll disbursements as well as our procedures over accounts payable, the following deficiencies were observed where internal control procedures are inadequate to ensure that the Purchase Clerk and Board of Supervisors either did not fulfill its present internal control system over purchasing or comply with state statutes:</p> <ul style="list-style-type: none"> <li>• One instance where expenditures did not include all the required purchasing documentation such as requisitions, purchase orders, receiving reports and invoices or other supporting documentation.</li> <li>• Ten instances where expenditures below \$2,000 were not approved by the appropriate department head.</li> <li>• Four instances where invoices dated prior to year-end were not accrued in accounts payable (\$66,158).</li> </ul>
<b>Cause:</b>	The County lacks the necessary internal control procedures to ensure that it fulfills its present internal control system and to ensure compliance with state statutes over purchasing.
<b>Effect:</b>	Due to an inadequate internal control system in place over purchasing, the County is not in compliance with state laws. Failure to implement an adequate system of internal control over purchasing could result in improper payments to vendors, theft of assets, and/or misappropriation of funds.
<b>Recommendation:</b>	The Purchase Clerk and the Board of Supervisors should strengthen internal controls to ensure compliance with state statutes over purchasing and custody of purchasing documentation as required by law.
<b>Views of Responsible Official(s):</b>	In May of 2022, the Board of Supervisors hired a new purchase clerk. Going forward we are expecting to see a huge improvement from the purchase clerk regarding state statute laws and compliance.

In our opinion, except as explained in the third paragraph and except for the noncompliance referred to in the preceding paragraph, Greene 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.

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

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

A handwritten signature in black ink that reads "Stephen D. Myrick CPA LLC". The signature is written in a cursive, flowing style.

Stephen D. Myrick, C.P.A., L.L.C.

Quitman, Mississippi

June 19, 2023

**GREENE COUNTY, MISSISSIPPI**  
**Schedule of Purchases From Other Than the Lowest Bidder**  
**For the Year Ended September 30, 2021**

<b><u>Date</u></b>	<b><u>Item</u></b> <b><u>Purchased</u></b>	<b><u>Bid</u></b> <b><u>Accepted</u></b>	<b><u>Vendor</u></b>	<b><u>Lowest</u></b> <b><u>Bid</u></b>	<b><u>Reason</u></b> <b><u>for Accepting</u></b> <b><u>Other Than the</u></b> <b><u>Lowest Bid</u></b>
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Our tests did not identify any purchases from other than the lowest bidder.

**Schedule 2**

**GREENE COUNTY, MISSISSIPPI**  
**Schedule of Emergency Purchases**  
**For the Year Ended September 30, 2021**

<b>Date</b>	<b>Item Purchased</b>	<b>Amount Paid</b>	<b>Vendor</b>	<b>Reason for Emergency Purchase</b>
11/16/2020	Debris Removal	\$ 4,250	R/S Tree Service	Hurricane Zeta
11/16/2020	Debris Removal	7,425	Advanced Land Easement	Hurricane Zeta
11/16/2020	Debris Removal	7,700	Property Improvement Speciality	Hurricane Zeta
11/16/2020	Debris Removal	4,050	Little Al's Tree Service	Hurricane Zeta
11/16/2020	Debris Removal	18,900	L&D Disaster Relief, LLC	Hurricane Zeta
11/16/2020	Debris Removal	2,700	L&D Disaster Relief, LLC	Hurricane Zeta
12/7/2020	Profesional Services	25,000	David Mills	Bridge Repair
12/7/2020	Debris Removal	700	Little Al's Tree Service	Hurricane Zeta
12/7/2020	Equipment Repair	3,000	Universal Services, LLC	Hurricane Zeta
12/10/2020	Profesional Services	2,200	Ricky Freeman	Hurricane Zeta
1/19/2021	Supplies	2,477	Davis Hardware & Building Supply	Hurricane Zeta
3/15/2021	Rock	1,316	Property Improvement Speciality	Hurricane Zeta
3/15/2021	Debris Removal	54,387	Debris Tech	Hurricane Zeta
4/19/2021	Services	1,344	Property Improvement Speciality	Hurricane Zeta
4/19/2021	Prisoner Meals	30,273	Moltens	COVID
4/19/2021	Debris Removal	45,960	JE Talley Construction, Inc.	Hurricane Zeta
4/19/2021	Debris Removal	56,840	JE Talley Construction, Inc.	Hurricane Zeta
4/19/2021	Debris Removal	53,815	JE Talley Construction, Inc.	Hurricane Zeta
4/19/2021	Debris Removal	41,520	JE Talley Construction, Inc.	Hurricane Zeta
5/3/2021	Debris Removal	31,480	JE Talley Construction, Inc.	Hurricane Zeta
5/3/2021	Debris Removal	32,446	JE Talley Construction, Inc.	Hurricane Zeta
5/17/2021	Debris Removal	76,327	JE Talley Construction, Inc.	Hurricane Zeta
5/17/2021	Debris Monitoring	56,913	Debris Tech	Hurricane Zeta
6/7/2021	Debris Monitoring	51,557	Debris Tech	Hurricane Zeta
6/7/2021	Debris Monitoring	54,475	Debris Tech	Hurricane Zeta
6/7/2021	Debris Removal	182,126	JE Talley Construction, Inc.	Hurricane Zeta
6/28/2021	Debris Monitoring	155,019	Debris Tech	Hurricane Zeta
6/28/2021	Debris Removal	322,173	JE Talley Construction, Inc.	Hurricane Zeta
6/28/2021	Debris Removal	380,226	JE Talley Construction, Inc.	Hurricane Zeta
7/19/2021	Debris Monitoring	79,569	Debris Tech	Hurricane Zeta
7/19/2021	Debris Removal	218,922	JE Talley Construction, Inc.	Hurricane Zeta
8/2/2021	Debris Removal	211,010	JE Talley Construction, Inc.	Hurricane Zeta
8/16/2021	Debris Monitoring	21,895	Debris Tech	Hurricane Zeta
8/24/2021	Debris Monitoring	17,732	Debris Tech	Hurricane Zeta
9/7/2021	Debris Monitoring	10,887	Debris Tech	Hurricane Zeta
9/7/2021	Debris Removal	262,793	JE Talley Construction, Inc.	Hurricane Zeta
9/14/2021	Lock Upgrade	38,650	Willo Products	Lock failure

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

<b>Date</b>	<b>Item Purchased</b>	<b>Amount Paid</b>	<b>Vendor</b>
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Our tests did not identify any purchases made noncompetitively from a sole source.



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## LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors  
Greene County, Mississippi

In planning and performing our audit of the financial statements of Greene County, Mississippi for the year ended September 30, 2021, we considered Greene 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 Greene County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated June 19, 2023, on the financial statements of Greene County, Mississippi.

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

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

### **Comptroller and Board of Supervisors**

**1. The County should settle additional privilege taxes on carriers of property and on buses to the County's School District.**

**Repeat Finding:** Yes

**Criteria:** *Section 27-19-11, Mississippi Code of 1972 Annotated*, states that Counties shall distribute proceeds from tax on carriers of property and on buses as they would if these collections were ad valorem taxes.

**Condition:** As reported in the prior year audit reports, the County did not settle \$36,131 in additional privilege taxes to the local school district. Instead, these funds were only settled in the County's Road funds.

**Cause:** The County did not comply with state law relating to the sharing of additional privilege taxes with local school districts.

**Effect:** Failure to settle the additional privilege taxes to the local school district is a violation of *Section 27-19-11, Mississippi Code of 1972 Annotated* and could result in the misappropriation of public funds.

**Recommendation:** The County should strengthen its internal control system to ensure compliance with state law that requires the Comptroller to comply with *Section 27-19-11, Mississippi Code of 1972 Annotated* to ensure all additional privilege taxes received from the Mississippi Department of Revenue are settled to the local school district as if they were ad valorem taxes.

**Views of Responsible Official(s):** As of fiscal year ended September 30, 2022, this finding has been corrected.

**2. Inter-fund transfers were not approved by the Board of Supervisors.**

**Repeat Finding:** Yes

**Criteria:** *Section 19-3-27, Mississippi Code of 1972 Annotated*, requires a complete and correct record be maintained for all proceedings of the Board of Supervisors.

**Condition:** One inter-fund transfer in the amount of eighty-eight thousand, seven hundred twenty-seven dollars (\$88,727) was made without the board's approval.

**Cause:** The Comptroller and the Board of Supervisors did not comply with state law.

**Effect:** The failure to obtain board approval for inter-fund transfers increases the possibility of the loss or misuse of public funds.

**Recommendation:** All individual inter-fund transfers including the specific amount, purpose and the name of the individual funds where monies are being transferred to and from should be approved by the Board of Supervisors and spread in the board minutes.

**Views of Responsible Official(s):** All transfers will be approved by the Board of Supervisors and recorded into the minutes.

**Comptroller, Clerk of the Board, and Board of Supervisors**

**3. The County did not prepare or obtain approval from the Board of Supervisors of a combined budget of revenues, expenditures/expenses, and a working cash balance of all funds.**

**Repeat Finding:** Yes

**Criteria:** *Section 19-11-17, Mississippi Code of 1972 Annotated*, requires the Board of Supervisors to prepare and submit at its August meeting of each year a complete budget of revenues, expenses, and a working cash balance estimated for the next fiscal year for each fund. The original combined budget for all required funds should be approved by the Board of Supervisors and a copy included in the minutes of the Board of Supervisors.

**Condition:** As reported in the prior year audit reports, the original combined budget for the fiscal year 2020-2021 was not approved by the Board of Supervisors and included in the board minutes as required by state law.

**Cause:** The County did not have the necessary internal control system in place to ensure compliance with state laws. The Comptroller did not prepare an accurate original budget for the Board of Supervisors for approval and submit it to the Clerk of the Board to be included in the minutes of the Board of Supervisors.

**Effect:** The failure to prepare and submit a complete and accurate combined budget of revenues, expenditures/expenses, and working cash balances for all funds could result in the County not complying with state law.

**Recommendation:** The County should strengthen the internal control system to ensure compliance with state law that requires the Comptroller prepare and submit to the Board of Supervisors for approval each year a complete combined budget of revenues, expenditures/expenses, and working cash balances for all funds and obtain approval from the Board of Supervisors.

**Views of Responsible Official(s):** As of fiscal year ended September 30, 2022, this finding has been corrected.

**4. The final amended combined budget was not prepared, approved, and included in the minutes of the Board of Supervisors.**

**Repeat Finding:** Yes

**Criteria:** *Section 19-11-9, Mississippi Code of 1972 Annotated*, requires the County to prepare a final amended combined budget of revenues, expenditures/expenses, and working cash balances in such form as may be necessary. Furthermore, the final amended budget of all funds for the fiscal year, which may be amended up to the end of the fiscal year, must be approved and entered on the minutes of the Board of Supervisors no later than October 31<sup>st</sup>, following the close of the fiscal year.

**Condition:** As reported in the prior year audit reports, the final amended combined budget for the fiscal year 2020-2021 was not prepared by the Comptroller and approved by the Board of Supervisors and included in the board minutes as required by state law. In addition, the final amended combined budget provided to us by the Comptroller included ten instances where actual expenditures exceeded the final amended budget expenditures by one hundred fifty-seven thousand nine hundred seventy-two dollars (\$157,972).

**Cause:** The County did not have the necessary internal control system in place to ensure compliance with state laws. The Comptroller did not prepare an accurate final amended combined budget for approval by the Board of Supervisors and did not submit it to the Clerk of the Board to be included in the board minutes.

**Effect:** The failure to prepare and submit a complete and accurate final amended combined budget of revenues, expenditures/expenses, and working cash balances for all funds could result in the misappropriation of public funds if accounts are not properly budgeted and monitored. It could also result in the Board of Supervisors being held personally liable for any expenditures approved and paid in excess of the budgeted expenditures for which the individual supervisor voted in the affirmative.

**Recommendation:** The County should strengthen its internal control system to ensure compliance with state law that requires the Comptroller prepare and submit to the Board of Supervisors for approval each year a complete and accurate final amended combined budget of revenues, expenditures/expenses, and working cash balances for all funds and include a copy of this budget in the minutes of the Board of Supervisors no later than October 31<sup>st</sup>, following the close of the fiscal year.

**Views of Responsible Official(s):** As of fiscal year ended September 30, 2022, this finding has been corrected.

**5. The County did not properly advertise for qualifying county depositories.**

**Repeat Finding:** Yes

**Criteria:** *Section 27-105-305, Miss Code Ann. (1972)*, requires the Board of Supervisors to give notice at least once every two years to all financial institutions in its county whose accounts are insured by the Federal Deposit Insurance Corporation (or any successor thereto), by publication, that bids will be received from financial institutions at the following January meeting or some subsequent meeting, for the privilege of keeping the county funds, or any part thereof.

<b>Condition:</b>	As reported in the prior year audit reports, the County did not properly advertise for qualified depositories as required by state statute.
<b>Cause:</b>	The County did not have the necessary internal control system in place to ensure compliance with state law.
<b>Effect:</b>	Failure to advertise for qualified depositories causes noncompliance with state law.
<b>Recommendation:</b>	The County should strengthen its necessary internal control system to ensure compliance with <i>Section 27-105-305, Miss Code Ann. (1972)</i> that requires the Board of Supervisors give notice at least once every two years to all financial institutions in its county whose accounts are insured by the Federal Deposit Insurance Corporation (or any successor thereto), by publication, that bids will be received from financial institutions at the following January meeting or some subsequent meeting, for the privilege of keeping the county funds, or any part thereof.
<b>Views of Responsible Official(s):</b>	As of fiscal year ended September 30, 2022, this finding has been corrected.

### **Purchase Clerk and Board of Supervisors.**

<b>6.</b>	<b><u>County officials and employees are not properly bonded as required by Mississippi Statutes.</u></b>
<b>Repeat Finding:</b>	Yes
<b>Criteria:</b>	Various statutes within the Mississippi Code of 1972 Annotated, requires certain employees and public officials to be bonded.
<b>Condition:</b>	<p>As reported in the prior years' audit reports, we observed numerous instances where the County did not properly bond officials or employees in accordance with various Mississippi statutes as follows:</p> <ul style="list-style-type: none"> <li>• One instance where the tax assessor/collector was bonded only as the tax collector and not as the tax assessor also.</li> <li>• One instance where the purchase clerk's surety bond was not properly increased to \$100,000 as of July 1, 2021.</li> <li>• Eleven instances where the bond did not bond the employee for the specific position but as a public official.</li> <li>• Forty-three instances where county officials or employees were bonded through a bond continuation rather than by individual bonds.</li> <li>• Seven instances where employees were not bonded or bonded for the entire fiscal year.</li> <li>• One instance where an at-will employee was bonded for a multi-year period instead of annually.</li> </ul>
<b>Cause:</b>	The County did not have the necessary internal control system in place to ensure compliance with various state laws.
<b>Effect:</b>	Failure to comply with state law would limit the amount available for recovery if a loss occurred.
<b>Recommendation:</b>	The County should strengthen its internal control system to ensure compliance with various state laws requiring public officials and certain employees to be bonded.
<b>Views of Responsible Official(s):</b>	As of fiscal year ended September 30, 2022, this finding has been corrected.

## **Payroll Clerk and Board of Supervisors.**

<b>7.</b>	<b><u>Required forms for re-employment should be completed for PERS retirees after retirement.</u></b>
<b>Repeat Finding:</b>	Yes
<b>Criteria:</b>	<i>Section 25-11-127(4)(a), Miss Code Ann. (1972)</i> , requires retirees to receive no more than one-half of the salary in effect for the position at the time of employment in a fiscal year. Furthermore, counties hiring PERS service retirees are required to file PERS Form 4B "Certificate/Acknowledgement of Re-employment of Retiree" with the PERS office within 5 days from the date of employment of the retiree.
<b>Condition:</b>	As reported in prior year audit reports, we observed three instances where PERS Form 4B was not filed.
<b>Cause:</b>	The necessary internal controls were not in place to ensure compliance with state law.
<b>Effect:</b>	By not completing the required PERS Form 4Bs or not filing them timely with PERS, the County is not in compliance with the state legal requirements.
<b>Recommendation:</b>	The County should strengthen internal controls to ensure compliance with state law requiring the County to file the PERS Form 4Bs within the mandated timeframes and maintain evidence of the filing dates of the retiree forms.
<b>Views of Responsible Official(s):</b>	Proper PERS forms are now being filed and properly documented by the new payroll clerk that was hired in fiscal year ended September 30, 2021.

## **Receiving Clerk and Board of Supervisors.**

<b>8.</b>	<b><u>Receiving Clerk shall not also serve as the purchase clerk or assistant purchase clerk.</u></b>
<b>Repeat Finding:</b>	Yes
<b>Criteria:</b>	<i>Section 31-7-101, Mississippi Code of 1972 Annotated</i> , states the receiving clerk appointed by the Board of Supervisors may not also serve as the purchase clerk or assistant purchase clerk.
<b>Condition:</b>	As reported in prior year audit reports, we observed that the County's receiving clerk also performs the following purchasing duties: <ul style="list-style-type: none"><li>• Pays vendors for amounts of \$1,500 and below.</li><li>• Prepares the claims docket for the monthly board meetings.</li><li>• Prints checks to pay the monthly claims.</li></ul>
<b>Cause:</b>	Due to inadequate controls over purchasing, the County is not in compliance with state law.
<b>Effect:</b>	Failure to maintain custody of purchasing records as required by <i>Miss. Code Section 31-7-101</i> and maintaining adequate controls over purchasing could result in improper payments to vendors, theft of assets, and misappropriation of funds.
<b>Recommendation:</b>	The County should strengthen internal controls to ensure compliance with state law. The receiving clerk is not allowed to also serve as the purchase clerk or assistant purchase clerk.
<b>Views of Responsible</b>	

**Official(s):**

Proper segregation of duties among staff has been implemented. In the event a staff member is out of the office for an extended period of time and duties have to be performed, documentation will be approved by the Board of Supervisors and recorded in the minutes to reflect the situation.

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

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

A handwritten signature in black ink that reads "Stephen D. Myrick CPA LLC". The signature is written in a cursive, flowing style.

Stephen D. Myrick, C.P.A., L.L.C.

Quitman, Mississippi

June 19, 2023

## **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**



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**GREENE COUNTY, MISSISSIPPI**

**Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2021**

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

***Financial Statements:***

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

Governmental activities	Qualified
Business-type activities	Qualified
General Fund	Unmodified
Hurricane Zeta Fund	Unmodified
Solid Waste Fund	Qualified
Aggregate remaining fund information	Unmodified

2. Internal control over financial reporting:

a. Material weaknesses identified?	Yes
b. Significant deficiencies identified?	Yes

3. Noncompliance material to the financial statements noted? Yes

***Federal Awards:***

4. Internal control over major federal programs:

a. Material weaknesses identified?	No
b. Significant deficiencies 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:

<u>ALN</u>	<u>Name of Federal Program or Cluster</u>
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

8. Dollar threshold used to distinguish between type A & type B programs: \$750,000

9. Auditee qualified as low-risk auditee? No

10. Prior fiscal year audit finding(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary of prior audit findings in accordance with 2 CFR 200.511(b)? Yes

GREENE COUNTY, MISSISSIPPI

Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2021

**Section 2: Financial Statement Findings**

**Inventory Control Clerk and Board of Supervisors**

**Material Weakness**

**Material Noncompliance**

2021-001. **The Inventory Control Clerk and Supervisors should strengthen internal controls to ensure compliance with state statutes that require adequate capital asset subsidiary records are maintained.**

**Repeat Finding:** Yes

**Criteria:** *Section 31-7-107, Mississippi Code of 1972 Annotated*, requires the County to develop and maintain an inventory control system over capital assets to ensure that capital assets are properly accounted for.

**Condition:** As reported in the prior eighteen years' audit reports, capital asset control procedures were inadequate to ensure compliance with state statutes requiring an accurate capital asset inventory listing or adequate subsidiary records documenting existence, valuation, and completeness of capital assets. We observed the following deficiencies in the internal control system over capital assets:

- Three instances where assets were purchased but not capitalized (\$35,020 in governmental activities).
- Sixteen instances where various capital assets were added to capital assets inventory for the incorrect cost (\$107,161 in governmental activities).
- One instance where the documentation to support the estimated fair market value of a donated asset was not maintained (\$15,000 in governmental activities).
- Two instances where assets were capitalized that were below threshold (\$2,000 in governmental activities).
- Twelve instances where the useful life and salvage values were incorrect.
- Thirteen instances where capital assets were sold but were not declared surplus and removed from capital assets inventory in a timely manner (\$1,313,569 in governmental activities).
- One instance where a capital asset was turned into the leasing company but not declared surplus and removed from capital assets inventory in a timely manner (237,796 in governmental activities).
- Three instances where capital assets were removed due to double recording of assets in prior years (\$36,794 in governmental activities).
- Four instances where capital assets were removed from inventory records in the current year but were disposed of in prior years (\$303,056 in governmental activities).
- Four instances where capital assets were sold that were never recorded on capital asset inventory (\$63,853).

Therefore, the opinions on the Independent Auditor's Report on the governmental activities, business-type activities, and Solid Waste Fund financial statements are qualified because we were unable to satisfy ourselves as to the fair presentation of the County's investment in capital assets.

## GREENE COUNTY, MISSISSIPPI

### Schedule of Findings and Questioned Costs For the Year Ended September 30, 2021

<b>Cause:</b>	The County lacks the necessary control procedures to ensure compliance with state statutes requiring the County to maintain an accurate capital asset inventory listing, as well as, related subsidiary ledgers.
<b>Effect:</b>	The failure to maintain an effective inventory internal control system could result in the reporting of inaccurate amounts and increases the possibility of loss or misappropriation of public funds.
<b>Recommendation:</b>	The Board of Supervisors should establish control procedures to ensure compliance with state statutes that require the County to maintain accurate inventory records documenting the existence, valuation, and completeness of capital assets.
<b>Views of Responsible Official(s):</b>	The Auditee's Corrective Action Plan on pages 85-87 lists the County's response to the finding.

#### Comptroller and Board of Supervisors.

#### Material Weakness

#### Material Noncompliance

#### 2021-002. Controls over repayment of interfund advances should be strengthened.

<b>Repeat Finding:</b>	Yes
<b>Criteria:</b>	An effective system of internal control over interfund advances should include a timely repayment plan.
<b>Condition:</b>	As reported in the prior years, the County has interfund loans outstanding as of September 30, 2021, in the amount of one million three hundred forty-nine thousand two hundred sixty-six dollars (\$1,349,266), that have been owed for more than one year. These loans represent advances that were made to cover indirect costs due from solid waste, resolve cash flows problems and correct posting errors in recording of cash receipts by county personnel.
<b>Cause:</b>	The County failed to repay outstanding interfund loans.
<b>Effect:</b>	The failure of the Board of Supervisors to ensure repayment of these loans represents an illegal diversion of legally restricted funds.
<b>Recommendation:</b>	The County should strengthen the internal controls to ensure compliance over interfund loans. We specifically recommend that new controls be implemented to ensure that the Board of Supervisors approves all future interfund loans and records the amount and reason of the loan in the minutes of the board. The board resolution should also state when the loan will be repaid and the source of funds for repayment. The County should also implement additional internal control procedures to ensure that all old loans are repaid by approving and recording in the minutes a repayment schedule and subsequently complying with the approved schedule.
<b>Views of Responsible Official(s):</b>	The Auditee's Corrective Action Plan on pages 85-87 lists the County's response to the finding.

### Schedule of Findings and Questioned Costs For the Year Ended September 30, 2021

**2021-003. Internal controls should be strengthened over reporting restricted cash accounts.**

## GREENE COUNTY, MISSISSIPPI

### Schedule of Findings and Questioned Costs For the Year Ended September 30, 2021

<b>Effect:</b>	The lack of segregation of duties could result in unrecorded transactions, undetected errors, or misappropriation of funds.
<b>Recommendation:</b>	The County should strengthen internal controls over cash and cash receipts to ensure that more than one employee is involved in performing the above duties.
<b>Views of Responsible Official(s):</b>	The Auditee's Corrective Action Plan on pages 85-87 lists the County's response to the finding.

#### Significant Deficiency

**2021-005.**      **Internal controls over cash should be strengthened to ensure that cash is reconciled each month on a timely basis.**

<b>Repeat Finding:</b>	Yes
<b>Criteria:</b>	An effective system of internal control over cash and cash equivalents requires bank statements to be reconciled with cash balances reported in the accounting records in a timely manner.
<b>Condition:</b>	As reported in prior year audit reports, the present internal control system is inadequate to ensure that bank statements are reconciled timely to the accounting records. As a result of our audit procedures, we observed that the financial statement preparer did not reconcile the September 2021 general account bank statement to the accounting records until October of 2022.
<b>Cause:</b>	The current internal control system is inadequate to ensure that bank statements are reconciled to the accounting records in a timely manner.
<b>Effect:</b>	The failure to reconcile the bank statements to the cash reported in the accounting records timely each month could result in the possibility of the loss or misappropriation of public funds and reporting of inaccurate amounts to those charged with governance.
<b>Recommendation:</b>	The County should strengthen internal controls to ensure that bank statements are reconciled timely to the accounting records and submitted to the Board of Supervisors for their approval or acceptance.
<b>Views of Responsible Official(s):</b>	The Auditee's Corrective Action Plan on pages 85-87 lists the County's response to the finding.

#### **Purchase Clerk and Board of Supervisors**

#### Significant Deficiency

**2021-006.**      **The Purchase Clerk and Board of Supervisors should maintain adequate internal controls over purchasing to ensure compliance with various purchasing requirements mandated by state statute.**

<b>Repeat Finding:</b>	Yes
<b>Criteria:</b>	<i>Section 31-7-111, Mississippi Code of 1972 Annotated</i> , requires the purchase clerk to maintain custody of supporting documentation for purchases of the County and deems the

## GREENE COUNTY, MISSISSIPPI

### Schedule of Findings and Questioned Costs For the Year Ended September 30, 2021

documentation to be public record which shall be made available for inspection during reasonable hours to any person requesting the same.

*Section 31-7-13, Mississippi Code of 1972 Annotated*, known as the *Mississippi Purchasing Laws* requires the County to comply with the purchasing requirements in accordance with state statutes. In addition, management is responsible for establishing a proper internal control system to ensure a strong financial accountability and safeguarding of assets.

#### Condition:

The County's internal control procedures are inadequate to ensure it fulfills its present internal controls over purchasing and accounts payable and to ensure compliance with state laws over purchasing and accounts payable. As a result of our statistically valid random sample of sixty non-payroll expenditures and our test of large expenditures, we observed the following instances where the County did not fulfill its present internal control system over purchasing and accounts payable or comply with state statutes.

- One instance where expenditures did not include all the required purchasing documentation such as requisitions, purchase orders, receiving reports and invoices or other supporting documentation.
- Ten instances where expenditures below \$2,000 were not approved by the appropriate department manager.
- Four instances where invoices dated prior to year-end were not properly accrued in accounts payable (\$66,158).

#### Cause:

The County lacks the necessary internal control procedures to ensure that it fulfills its present internal control system and to ensure compliance with state statutes over purchasing.

#### Effect:

Due to an inadequate internal control system in place over purchasing and accounts payable, the County did not fulfill its internal control system over purchasing and accounts payable and comply with certain state laws over purchasing. Failure to implement additional internal controls to ensure it fulfills its present internal control system over purchasing and accounts payable could result in improper payments to vendors, theft of assets, and/or misappropriation of funds.

#### Recommendation:

The Purchase Clerk and the Board of Supervisors should implement additional internal controls to ensure that it fulfills its present internal control system over purchasing and accounts payable and complies with state statutes.

#### Views of Responsible Official(s):

The Auditee's Corrective Action Plan on pages 85-87 lists the County's response to the finding.

#### Comptroller and Solid Waste Clerk and Board of Supervisors

#### Significant Deficiency

2021-007. Internal Controls over solid waste collections should be strengthened.

#### Repeat Finding:

Yes

#### Criteria:

An effective system of internal control over solid waste collections should include management's approval of all solid waste accounts receivable adjustments including the

## GREENE COUNTY, MISSISSIPPI

### Schedule of Findings and Questioned Costs For the Year Ended September 30, 2021

dollar amount. Also, deposits should be made in a timely manner and daily check-up sheets should be completed and maintained daily.

**Condition:**

As reported in the prior year audit reports, we observed the following internal control weaknesses as part of our statistically valid random sample of twenty-five solid waste receipts:

- Twelve instances where the Solid Waste Clerk did not make deposits in a timely manner.
- Twenty-five instances where the Solid Waste Clerk did not perform daily check-ups that document and reconcile the daily receipt report printed from the solid waste system to the deposit slips and funds received.
- Nineteen instances where receipt warrants were not prepared timely, up to twenty-five days after cash receipt.
- Two instances where payments by credit cards were not receipted individually, but by an entry at the end of the month to post all credit card payments.

**Cause:**

Due to the absence of controls over solid waste deposits and collections, the County did not always make deposits in a timely manner or complete and maintain daily check-ups comparing daily receipts in the cash drawer to the daily receipt report from the solid waste system.

**Effect:**

Failure to properly approve solid waste accounts receivable adjustments, make timely deposits, and complete and maintain daily check-up sheets could result in the loss or misappropriation of public funds.

**Recommendation:**

The County should strengthen internal controls to ensure that the Solid Waste Clerk submits all solid waste adjustments for approval to the Board of Supervisors. This will ensure that the dollar amounts of each adjustment are approved by the board and documented in the minutes, that deposits are made in a timely manner and that daily check-ups are completed that reconcile the daily receipt report from the solid waste system to the funds received and the deposit slip. The Comptroller should initial the daily check-up each day when receipting the funds into the accounting system to document his review and to verify the check-up's accuracy.

**Views of Responsible  
Official(s):**

The Auditee's Corrective Action Plan on pages 85-87 lists the County's response to the finding.

### Payroll Clerk and Board of Supervisors

#### Significant Deficiency

2021-008. Internal controls over the payroll function should be strengthened.

**Repeat Finding:**

Yes

**Criteria:**

An effective system of internal control over payroll should include keeping accurate and complete records for each employee's work hours and compensation. According to the current employee handbook compensation policy, paychecks or compensation for work performed in the pay period and all timesheets should be signed by both the employee and the supervisor/department head.



## **GREENE COUNTY, MISSISSIPPI**

### **Schedule of Findings and Questioned Costs For the Year Ended September 30, 2021**

<b>Condition:</b>	<p>As reported in the prior year audit reports, we observed the following weaknesses in the internal control system over payroll disbursements as part of our statistically valid random sample of 25 payroll transactions:</p> <ul style="list-style-type: none"><li>• Thirteen instances where timesheets/timecards were not signed by the employee and/or the department head.</li><li>• One instance where payroll was released prior to the payroll date.</li><li>• Twenty-five instances where there was no documentation of board approval of employees' pay rates.</li><li>• Four instances where the documentation for payroll hours was dated prior to end of pay period but included dates after the date of documentation.</li></ul>
<b>Cause:</b>	<p>The County lacks the necessary internal control procedures to ensure that the necessary authorizations are obtained from the Board of Supervisors, department managers or employee for employee pay rates and employee withholding authorizations and payroll is properly documented.</p>
<b>Effect:</b>	<p>The failure to establish the proper internal control system over all payroll functions could result in unauthorized and inaccurate payroll checks being processed, as well as increases the possibility of misappropriation or loss of public funds.</p>
<b>Recommendation:</b>	<p>The Board of Supervisors should strengthen internal controls to ensure that current policies as found in the County's employee handbook are followed and implement any new policies as considered necessary to ensure that payroll is accurate, properly authorized, complete, and issued only on the authorized pay date.</p>
<b>Views of Responsible Official(s):</b>	<p>The Auditee's Corrective Action Plan on pages 85-87 lists the County's response to the finding.</p>

### **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.



# Greene County, Mississippi

## OFFICE OF THE CHANCERY CLERK

Michelle D. Eubanks  
Chancery Clerk

### CORRECTIVE ACTION PLAN

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

#### **Section 2: Financial Statement Findings.**

##### Finding 2021-001.

Corrective Action: As of March 2023, the Board of Supervisors hired a new fixed asset manager to implement changes in order to fulfill state requirements of fixed assets to remove this finding.

Responsible Parties: Tyson Moreno, Comptroller  
Michelle Eubanks, Chancery Clerk

Anticipated Completion Date: Unknown.

##### Finding 2021-002.

Corrective Action: As of September 6, 2022, the interfund advances have been booked and repaid.

Responsible Parties: Tyson Moreno, Comptroller  
Michelle Eubanks, Chancery Clerk

Anticipated Completion Date: Corrected as of September 6, 2022.

##### Finding 2021-003.

Corrective Action: As of fiscal year 2021-2022, all restricted cash accounts have been recorded and reconciled to the general ledger.

Responsible Parties: Tyson Moreno, Comptroller  
Michelle Eubanks, Chancery Clerk

Anticipated Completion Date: Corrected as of September 2022.

Finding 2021-004.

Corrective Action: As of fiscal year 2021-2022, the proper segregation of duties has been implemented to correct the above finding.

Responsible Parties: Tyson Moreno, Comptroller  
Michelle Eubanks, Chancery Clerk

Anticipated Completion Date: Corrected as of September 2022.

Finding 2021-005.

Corrective Action: As of October 2022, the bank statements are being reconciled monthly.

Responsible Parties: Tyson Moreno, Comptroller  
Michelle Eubanks, Chancery Clerk

Anticipated Completion Date: Corrected as of October 2022.

Finding 2021-006.

Corrective Action: A new purchase clerk was hired in May 2022. Procedures to maintain internal controls and follow state statute are currently in place.

Responsible Parties: Tyson Moreno, Comptroller  
Michelle Eubanks, Chancery Clerk

Anticipated Completion Date: Unknown.

Finding 2021-007.

Corrective Action: All waste adjustments with dollar amounts will be submitted to and approved by the Board of Supervisors. Same will also be documented in the minutes. Deposits will be made timely with completed check-ups to reconcile the report to funds received and deposited. The Comptroller will review this procedure daily and initial check-ups once verified for accuracy.

Responsible Parties: Tyson Moreno, Comptroller  
Michelle Eubanks, Chancery Clerk

Anticipated Completion Date: Unknown.

Finding 2021-008.

Corrective Action:

In December of 2020, a new payroll clerk was hired. Going forward, payroll records are accurate. Accrued time is now being entered into the system and printed on employee's pay stubs. Direct deposit of employee compensation has been implemented. This prevents payroll being released early or unauthorized.

Responsible Parties:

Tyson Moreno, Comptroller  
Michelle Eubanks, Chancery Clerk

Anticipated Completion Date:

Unknown.

**Section 3: Federal Award Findings.**

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

Sincerely,

A handwritten signature in black ink, reading "Michelle L. Eubanks". The signature is written in a cursive, flowing style.

Chancery Clerk



# Greene County, Mississippi

## OFFICE OF THE CHANCERY CLERK

Michelle D. Eubanks  
Chancery Clerk

### SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

As required by 2 CFR 200.511(b), Greene County has prepared the following Summary Schedule of Prior Year Audit Findings as of September 30, 2021.

<u>Finding</u>	<u>Status</u>
2020-001	Not corrected. See Finding 2021-001. A new fixed asset manager was hired in March 2023 in order to remove this finding for subsequent years.
2020-002	Not corrected. See Finding 2021-003. As of fiscal year 2021-2022, all restricted cash accounts have been recorded and reconciled to the ledger.
2020-003	Not corrected. See Finding 2021-002. As of September 2022, interfund advances have been booked and repaid.
2020-004	Not corrected. See Finding 2021-004. As of fiscal year 2021-2022, the proper segregation of duties has been implemented to correct this finding.
2020-005	Not corrected. See Finding 2021-005. As of October 2022, the bank statements are being reconciled monthly.
2020-006	Not corrected. See Finding 2021-006. A new purchase clerk was hired in May 2022 in order to remove this finding for subsequent years.
2020-007	Finding cleared.
2020-008	Finding cleared.
2020-009	Not corrected. See Finding 2021-007.
2020-010	Not corrected. See Finding 2021-008. In December 2020, a new payroll clerk was hired. Going forward, payroll records are accurate. Accrued time is not being entered into the system and printed on employee's pay stubs. Direct deposit of employee compensation has been implemented.

Sincerely,

A handwritten signature in black ink that reads "Michelle D. Eubanks".

Chancery Clerk