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



# GRENADA COUNTY

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## GRENADA COUNTY

## FINANCIAL SECTION



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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors  
Grenada County, Mississippi

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grenada 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 basic financial statements of the County's primary government as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

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

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

### ***Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units***

The financial statements do not include financial data for the County's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The amount by which this departure would affect the assets, liabilities, net position, revenues and expenses of the aggregate discretely presented component units has not been determined.

### ***Adverse Opinion***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units" paragraph, the financial statements referred to above do not present fairly, the financial position of the aggregate discretely presented component units of Grenada County, Mississippi, as of September 30, 2021, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Unmodified Opinions***

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

### ***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***

Grenada 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 an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

#### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Grenada 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 February 6, 2023 on our consideration of Grenada 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 Grenada 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 Grenada County, Mississippi's internal control over financial reporting and compliance.

*Bridgers, Goodman, Baird & Clarke, PLLC*

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, MS  
February 6, 2023

FINANCIAL STATEMENTS



GRENADA COUNTY  
Statement of Net Position  
September 30, 2021

Exhibit 1

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
ASSETS	
Cash	\$ 17,007,802
Property tax receivable	9,917,576
Accounts receivable (net of allowance for uncollectibles of \$350,000)	86,026
Fines receivable (net of allowance for uncollectibles of \$731,692)	130,409
Intergovernmental receivables	854,383
Other receivables	65,963
Capital assets:	
Land and construction in progress	1,912,141
Other capital assets, net	40,615,045
Total Assets	<u>70,589,345</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	1,325,864
Deferred outflows - refunding	5,000
Total Deferred Outflows of Resources	<u>1,330,864</u>
LIABILITIES	
Claims payable	401,945
Intergovernmental payables	379,167
Accrued interest payable	5,647
Unearned revenue	2,832,886
Amounts held in custody for others	171,114
Long-term liabilities	
Due within one year:	
Non-capital debt	160,000
Capital debt	471,784
Due in more than one year:	
Capital debt	3,457,115
Non-capital debt	1,740,173
Net pension liability	8,833,232
Total Liabilities	<u>18,453,063</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	2,673,760
Deferred revenues - property taxes	9,917,576
Total Deferred Inflows of Resources	<u>12,591,336</u>
NET POSITION	
Net investment in capital assets	38,598,287
Restricted for:	
Expendable:	
General government	322,649
Public safety	378,989
Public works	4,453,805
Economic development and assistance	3,400,831
Debt service	289,641
Unrestricted	(6,568,392)
Total Net Position	<u>\$ 40,875,810</u>

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

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

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 4,217,342	459,240	412,820		(3,345,282)
Public safety	4,540,221	470,754	479,233	19,379	(3,570,855)
Public works	9,875,633	1,120,760	2,569,542	794,261	(5,391,070)
Health and welfare	162,139		84,017		(78,122)
Culture and recreation	108,000		2,148		(105,852)
Education	24,000				(24,000)
Conservation of natural resources	97,320				(97,320)
Economic development and assistance	1,664,794		154,932		(1,509,862)
Interest on long-term debt	82,210				(82,210)
Bond issue costs	85,173				(85,173)
Pension expense	177,555				(177,555)
Total Governmental Activities	<u>21,034,387</u>	<u>2,050,754</u>	<u>3,702,692</u>	<u>813,640</u>	<u>(14,467,301)</u>
General revenues:					
Property taxes				\$	10,055,726
Road & bridge privilege taxes					279,826
Grants and contributions not restricted to specific programs					1,327,149
Unrestricted interest income					158,024
Miscellaneous					354,625
Total General Revenues					<u>12,175,350</u>
Change in Net Position					<u>(2,291,951)</u>
Net Position - Beginning, as previously reported					43,189,071
Prior period adjustments					<u>(21,310)</u>
Net Position - Beginning, as restated					<u>43,167,761</u>
Net Position - Ending				\$	<u><u>40,875,810</u></u>

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

GRENADA COUNTY  
Balance Sheet - Governmental Funds  
September 30, 2021

Exhibit 3

	Major Funds				Other	Total
	General	Economic	Coronavirus	County Road	Governmental	Governmental
	Fund	Development	Fiscal Recovery	Construction	Funds	Funds
ASSETS						
Cash	\$ 4,900,448	3,299,435	2,016,717	223,322	6,567,880	17,007,802
Property tax receivable	6,180,703				3,736,873	9,917,576
Accounts receivable (net of allowance for uncollectibles of \$350,000)					86,026	86,026
Fines receivable (net of allowance for uncollectibles of \$731,692)	130,409					130,409
Intergovernmental receivables	289,907				564,476	854,383
Other receivables	61,921				4,042	65,963
Due from other funds	1,008,500				75,750	1,084,250
Total Assets	\$ 12,571,888	3,299,435	2,016,717	223,322	11,035,047	29,146,409
LIABILITIES						
Liabilities:						
Claims payable	\$ 225,218				176,727	401,945
Intergovernmental payables	378,348				819	379,167
Due to other funds	75,750				1,008,500	1,084,250
Unearned revenue			2,015,999		816,887	2,832,886
Amounts held in custody for others	171,114					171,114
Total Liabilities	\$ 850,430		2,015,999		2,002,933	4,869,362
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenue - property taxes	6,180,703				3,736,873	9,917,576
Unavailable revenue - accounts receivable					86,026	86,026
Unavailable revenue - fines	130,409					130,409
Total Deferred Inflows of Resources	\$ 6,311,112				3,822,899	10,134,011
Fund balances:						
Restricted for:						
General government			718		321,931	322,649
Public safety					378,989	378,989
Public works				223,322	4,144,457	4,367,779
Debt service					295,288	295,288
Committed:						
Economic development and assistance		3,299,435			101,396	3,400,831
Unassigned	5,410,346				(32,846)	5,377,500
Total Fund Balances	\$ 5,410,346	3,299,435	718	223,322	5,209,215	14,143,036
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 12,571,888	3,299,435	2,016,717	223,322	11,035,047	29,146,409

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

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

Exhibit 3-1

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 14,143,036
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 \$63,063,236.	42,527,186
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	216,435
Deferred outflows of resources related to refunding bonds is not a financial resource and therefore is not reported in the funds.	5,000
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(5,829,072)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(8,833,232)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(5,647)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	1,325,864
Deferred inflows of resources related to pensions	<u>(2,673,760)</u>
Total Net Position - Governmental Activities	\$ <u><u>40,875,810</u></u>

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

## GRENADA COUNTY

Exhibit 4

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

	Major Funds				Other	Total
	General Fund	Economic Development Fund	Coronavirus Fiscal Recovery Fund	County Road Construction Fund	Governmental Funds	Governmental Funds
REVENUES						
Property taxes	\$ 5,965,307				4,090,419	10,055,726
Road and bridge privilege taxes					279,826	279,826
Licenses, commissions and other revenue	238,744				146,946	385,690
Fines and forfeitures	200,452				38,149	238,601
Intergovernmental revenues	1,532,647				4,310,834	5,843,481
Charges for services	339,418			442,549	647,580	1,429,547
Interest income	80,477	56,344	718	156	20,329	158,024
Miscellaneous revenues	252,673				88,739	341,412
Total Revenues	8,609,718	56,344	718	442,705	9,622,822	18,732,307
EXPENDITURES						
Current:						
General government	3,915,989				652,507	4,568,496
Public safety	3,759,788				812,805	4,572,593
Public works	36,165			2,766,139	6,789,686	9,591,990
Health and welfare	154,197					154,197
Culture and recreation	108,000					108,000
Education	24,000					24,000
Conservation of natural resources	97,320					97,320
Economic development and assistance	112,950	70,000			1,283,924	1,466,874
Debt service:						
Principal					2,436,566	2,436,566
Interest					82,143	82,143
Bond issuance costs					90,173	90,173
Total Expenditures	8,208,409	70,000		2,766,139	12,147,804	23,192,352
Excess of Revenues over (under) Expenditures	401,309	(13,656)	718	(2,323,434)	(2,524,982)	(4,460,045)
OTHER FINANCING SOURCES (USES)						
Long-term capital debt issued					342,842	342,842
Refunding bonds issued					1,815,000	1,815,000
Premiums on refunding bonds					85,173	85,173
Proceeds from sale of capital assets					24,345	24,345
Transfers in				2,759,967	716,267	3,476,234
Transfers out	(231,577)	(3,031,187)		(213,470)		(3,476,234)
Total Other Financing Sources and Uses	(231,577)	(3,031,187)		2,546,497	2,983,627	2,267,360
Net Changes in Fund Balances	169,732	(3,044,843)	718	223,063	458,645	(2,192,685)
Fund Balances - Beginning, as previously reported	5,286,448	6,344,278		259	4,726,046	16,357,031
Prior period adjustments	(45,834)				24,524	(21,310)
Fund Balances - Beginning, as restated	5,240,614	6,344,278		259	4,750,570	16,335,721
Fund Balances - Ending	\$ 5,410,346	3,299,435	718	223,322	5,209,215	14,143,036

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

## GRENADA COUNTY

Exhibit 4-1

Reconciliation of the Statement of Revenues, Expenditures and Changes in  
Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended September 30, 2021

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ (2,192,685)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that depreciation of \$1,679,176 exceeded capital outlays of \$875,698 in the current period.	(803,478)
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 cost of the assets sold.	(16,780)
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.	1,496
Solid waste revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	(4,580)
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 repayments of \$2,436,566 exceeds the issuance of debt and debt refunding of \$2,238,015.	198,551
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 the change in accrued interest payable.	(67)
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	(177,555)
Recording of contributions made during the year	<u>703,147</u>
Change in Net Position of Governmental Activities	\$ <u>(2,291,951)</u>

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

GRENADA COUNTY  
Statement of Fiduciary Net Position  
September 30, 2021

Exhibit 5

	Private-purpose Trust Funds	Custodial Funds
ASSETS		
Cash and investments	\$ 121,965	54,736
Total Assets	<u>\$ 121,965</u>	<u>54,736</u>
LIABILITIES		
Other liabilities	\$	40,734
Intergovernmental payables		14,002
Total Liabilities	<u>\$</u>	<u>54,736</u>
NET POSITION		
Restricted for:		
Individuals, organizations and other governments	\$ 121,965	
Total net position	<u>\$ 121,965</u>	<u></u>

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

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

Exhibit 6

	Private-purpose Trust Funds	Custodial Funds
ADDITIONS		
Collections on behalf of individuals	\$	56,883
Assessments of fines for other governments		225,808
Total Additions		282,691
DEDUCTIONS		
Payments of collections on behalf of individuals		56,883
Payments of assessments of fines to other governments		225,808
Total Deductions		282,691
Net increase (decrease) in fiduciary net position		
Net Position - Beginning	121,965	
Net Position - Ending	\$ 121,965	

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



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

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

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

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

- Grenada Lake Medical Center
- Greater Grenada Partnership
- Elizabeth Jones Library

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 inter-fund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues.

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

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

financing or draws from the general revenues of the County.

Fund Financial Statements:

Fund financial statements of the County are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows, liabilities, deferred inflows, fund balances, revenues and expenditures. Funds are organized into governmental and fiduciary, even though the latter are excluded from the government-wide financial statements. Major individual Governmental funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column as Other Governmental Funds.

C. Measurement Focus and Basis of Accounting.

The Government-wide and 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.

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.

Economic Development Fund - This fund is used to account for economic development expenditures of the one time monies received from Grenada Lake Medical Center.

Coronavirus Fiscal Recovery Fund - This fund is used to account for monies received from the federal government to address issues resulting from COVID-19.

County Road Construction Fund – This fund is used to account for revenues and expenditures related to road construction in 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.

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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.

FIDUCIARY FUND TYPE

Private -purpose Trust Funds – These funds are used to report all trust arrangements, other than those properly reported elsewhere, under which the principal and income benefit individuals, private organizations or other governments.

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

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 inter-fund receivables and payables are reported as "advances to/from other funds. Inter-fund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

H. Capital Assets.

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the (applicable) governmental activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure, which have been valued

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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.

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

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

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

I. 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 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 10 for additional details.

Deferred outflows related to refunding – In a refunding of debt, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period 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.

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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 10 for additional details.

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

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 a time that the revenue becomes available.

J. 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 long-term debt and other long-term obligations are reported as liabilities in the governmental activities, Statement of Net Position.

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

K. Pensions.

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

L. Equity Classifications.

Government-wide Financial Statements:

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

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

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

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

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Net Position Flow Assumption:

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

Fund Financial Statements:

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

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

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

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

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

Fund Balance Flow Assumption:

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

M. Property Tax Revenues:

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

The Board of Supervisors, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes on both real and personal property, however, are due on or before February 1 of the next

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succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase.

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

N. 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.

O. Changes in Accounting Standards.

The Governmental Accounting Standards Board issued GASB 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* in May 2020. The objective of this Statement was to provide temporary relief to governments in light of the COVID-19 pandemic by postponing effective dates of certain Statements and Implementation Guides. The effective dates of GASB 83-84, GASB 88-93, and Implementation Guides No. 2017-3, 2018-1, 2019-1, and 2019-2 were postponed one year. The effective dates of GASB 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, were postponed eighteen months.

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

(2) Prior Period Adjustments.

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

Exhibit 2 – Statement of Activities – Governmental Activities.

<u>Explanation</u>	<u>Amount</u>
To correct errors in amounts held in custody	\$ 24,524
To correct errors in claims payable	(45,834)
Total prior period adjustments	<u>\$ (21,310)</u>

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

<u>Explanation</u>	<u>Amount</u>
<b>General Fund:</b>	
To correct errors in claims payable	\$ (45,834)
<b>Other Governmental Funds:</b>	
To correct errors in amounts held in custody	<u>24,524</u>
Total prior period adjustments	<u>\$ (21,310)</u>

(3) Deposits and Investments.

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2021, was \$17,184,503, and the bank balance was \$17,309,650. 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.

(4) Interfund Transactions and Balances.

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

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 1,008,500
Other Governmental Funds	General Fund	<u>75,750</u>
Total		<u>\$ 1,084,250</u>

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



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B. Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
County Road Construction Fund	Economic Development Fund	\$ 2,759,967
Other Governmental Funds	General Funds	231,577
Other Governmental Funds	Economic Development Fund	271,220
Other Governmental Funds	County Road Construction Fund	<u>213,470</u>
Total		<u>\$ 3,476,234</u>

The principal purpose of interfund transfers was to provide funds for county operations, to distribute escrow funds and to supply matching grant funds. All inter-fund transfers were routine and consistent with the activities of the fund making the transfer.

(5) Intergovernmental Receivables.

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

<u>Description</u>	<u>Amount</u>
<b>Governmental Activities:</b>	
Legislative tax credit	\$ 159,288
Disaster grants-public assistance	48,529
Economic Development Administration	414,812
Delta Regional Authority	59,973
Reimbursement for housing prisoners	27,630
Reimbursement for Sheriff Deputy overtime- U.S. Marshal	4,254
Welfare reimbursement	17,556
Waste tire grant	3,813
Victim's assistance	8,819
Drug court	37,160
Patrolling Grenada Lake	1,676
Timber severance tax	470
Land patents	171
Petroleum tax	47,500
Overhead ad valorem	<u>22,732</u>
Total Governmental Activities	<u>\$ 854,383</u>

(6) Capital Assets.

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

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**Governmental activities:**

	Balance Oct. 1, 2020	Additions	Deletions	Adjustments *	Balance Sept. 30, 2021
<u>Non-depreciable capital assets:</u>					
Land	\$ 1,395,945				1,395,945
Construction in progress	516,196				516,196
Total non-depreciable capital assets	1,912,141				1,912,141
<u>Depreciable capital assets:</u>					
Infrastructure	65,489,034	50,000			65,539,034
Buildings	23,157,433				23,157,433
Improvements other than buildings	3,935,797				3,935,797
Mobile equipment	8,085,685	135,827	117,184	271,194	8,375,522
Furniture and equipment	1,014,620	129,338	50,648		1,093,310
Leased property under capital leases	1,287,846	560,533		(271,194)	1,577,185
Total depreciable capital assets	102,970,415	875,698	167,832		103,678,281
<u>Less accumulated depreciation for:</u>					
Infrastructure	42,580,080	492,502			43,072,582
Buildings	11,037,553	390,953			11,428,506
Improvements other than buildings	295,560	147,780			443,340
Mobile equipment	6,338,688	297,807	105,468	190,975	6,722,002
Furniture and equipment	692,851	66,241	45,584		713,508
Leased property under capital leases	590,380	283,893		(190,975)	683,298
Total accumulated depreciation	61,535,112	1,679,176	151,052		63,063,236
Total depreciable capital assets, net	41,435,303	(803,478)	16,780		40,615,045
Governmental activities capital assets	\$ 43,347,444	(803,478)	16,780		42,527,186

\* Adjustments are to transfer paid out capital leases to their proper classification.

Depreciation expense was charged to the following functions:

	Amount
<b>Governmental activities:</b>	
General government	\$ 115,831
Public safety	271,050
Public works	1,086,433
Health and welfare	7,942
Economic development and assistance	197,920
Total governmental activities depreciation expense	\$ 1,679,176

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

<u>Description of Commitment</u>	<u>Remaining Financial Commitment</u>	<u>Expected Date of Completion</u>
Hugh White Road	\$ Undetermined	Undetermined

(7) Claims and Judgments.

Risk Financing.

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

(8) Capital Leases.

As Lessee:

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

<u>Classes of Property</u>	<u>Governmental Activities</u>
Mobile equipment	\$ 1,577,185
Less: Accumulated depreciation	<u>(683,298)</u>
Leased Property Under Capital Leases	<u><u>\$ 893,887</u></u>

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

<u>Year Ending September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 211,894	15,476
2023	184,478	9,617
2024	131,254	4,791
2025	105,952	1,877
2026	<u>25,039</u>	<u>178</u>
Total	\$ <u>658,617</u>	<u>31,939</u>

(9) Long-term Debt.

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

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Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
<b>Governmental Activities:</b>			
A. General Obligation Bonds:			
Series 2021 Refunding Bonds	1,815,000	2.00%	05/2031
Total General Obligation Bonds	\$ 1,815,000		
B. Capital Leases:			
Kubota Tractor & Boom Mower	2,619	1.98%	12/2021
John Deere Tractor	7,226	2.51%	09/2022
Caterpillar Backhoe	15,321	2.44%	11/2022
John Deere Backhoe	14,104	2.44%	12/2022
John Deere Tractor and Mower	38,224	4.04%	02/2024
Excavator	93,776	3.92%	01/2024
2019 Ford F150	19,924	3.24%	12/2023
2020 Freightliner Truck	67,264	2.39%	01/2026
2022 M2106 Freightliner Truck	51,990	2.38%	07/2026
Caterpillar 420 Backhoe Loader	58,191	2.41%	12/2025
JD Tractor and Cutters	53,315	2.41%	07/2025
Caterpillar Backhoe Loader	70,517	2.41%	06/2026
John Deere Tractor and Flex Wing	40,290	2.41%	07/2025
Caterpillar D5 Dozer	76,879	2.41%	07/2025
JD Mini Excavator	48,977	2.41%	07/2025
Total Capital Leases	\$ 658,617		
C. Other Loans:			
Freight Rail Revolving Loan	3,270,282	0.00%	09/2032
Total Other Loans	\$ 3,270,282		

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

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Notes to Financial Statements  
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**Governmental Activities:**

Year Ending September 30	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2022	\$ 160,000	33,880	259,890	
2023	165,000	33,100	259,890	
2034	165,000	29,800	259,890	
2025	175,000	26,500	259,890	
2026	180,000	23,000	259,890	
2027 - 2031	970,000	59,000	1,299,450	
2032 - 2036			671,382	
Total	\$ 1,815,000	205,280	3,270,282	

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 .82% of the latest property assessments.

Advance Refunding – On May 25, 2021 the County issued \$1,815,000 in general obligation refunding bonds at a premium of \$85,173 with an average interest rate of 2.00% to refund \$1,819,439 of the following outstanding bond issues:

Issue	Average Interest Rate	Outstanding Amount Refunded
Holmes Community College General Obligation Bonds 2011	3.10/4.40%	\$ 1,819,439

The County advanced refunded the above bonds to reduce its total debt service payments over the next ten years by almost \$168,658; however, the refunding resulted in an economic loss of \$5,000.

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

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	Balance Oct. 1, 2020	Additions	Reductions	Balance Sept. 30, 2021	Amount due within one year
<b>Governmental Activities:</b>					
General obligation bonds	\$ 1,955,000	1,815,000	1,955,000	1,815,000	160,000
Add:					
Premium		85,173		85,173	
Capital leases	537,451	342,842	221,676	658,617	211,894
Other loans	3,530,172		259,890	3,270,282	259,890
				<u>3,270,282</u>	<u>259,890</u>
Total	\$ <u>6,022,623</u>	<u>2,243,015</u>	<u>2,436,566</u>	<u>5,829,072</u>	<u>631,784</u>

(10) Defined Benefit Pension Plan.

*General Information about the Pension Plan*

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

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

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

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 \$703,147, \$674,082 and \$611,580, respectively, equal to the required contributions for each year.

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

At September 30, 2021, the County reported a liability of \$8,833,232 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 .059763 percent, which was based on a measurement date of June 30, 2021. This was an increase of .001592 percent from its proportionate share used to calculate the September 30, 2020 net pension liability, which was based on a measurement date of June 30, 2020.

For the year ended September 30, 2021, the County recognized pension expense of \$177,555. At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 139,622	
Net difference between projected and actual earnings on pension plan investments		2,673,760
Changes of assumptions	678,779	
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	329,791	
County contributions subsequent to the measurement date	<u>177,672</u>	
Total	<u>\$ 1,325,864</u>	<u>2,673,760</u>

\$177,672 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:



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

<u>Year ending September 30</u>	<u>Amount</u>
2022	\$ (190,947)
2023	(209,082)
2024	(332,816)
2025	<u>(792,723)</u>
Total	<u>\$ (1,525,568)</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.

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:

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>1.00</u>	\$ (1.00)
Total	<u>100.00 %</u>	

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

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

	<u>1% Decrease 6.55%</u>	<u>Current Discount Rate 7.55%</u>	<u>1% Increase 8.55%</u>
County's proportionate share of the net pension liability	\$ 12,509,928	8,833,232	5,803,343

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

(11) Deficit Fund Balances of Individual Funds.

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

<u>Fund</u>	<u>Deficit Amount</u>
EDA Grant MS Freight	\$ 32,846

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

(12) Contingencies.

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

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

(13) Effect of Deferred Amounts on Net Position.

The governmental activities' unrestricted net position amount of (\$6,568,392) includes the effect of deferred outflows/inflows of resources related to pensions. A portion of the deferred outflows of resources related to pensions in the amount of \$177,672 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. The \$1,148,192 balance of the deferred outflows of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next 3 years. The deferred inflows of resources related to pensions of \$2,673,760 at September 30, 2021 will be recognized as revenue over the next 4 years.

The governmental activities' unrestricted net position of (\$6,568,392) includes the effect of deferring the recognition of expenses resulting from the advance refunding of County debt. The expense will be recognized over future years and will decrease the governmental activities' unrestricted net position.

(14) Related Organizations.

The Grenada County Board of Supervisors is responsible for appointing a voting majority of the board members of the GT&Y Utility District, but the county's accountability for this organization does not exceed beyond making the appointments. The county did not appropriate any funds for the maintenance and support of the district in fiscal year 2021.

(15) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

The North Central Planning and Development District operates in a district composed of the counties of Attala, Carroll, Grenada, Holmes, Leflore, Montgomery and Yalobusha. The Grenada County Board of Supervisors appoints four of the twenty-eight members of the district board of directors. The county appropriated \$49,500 for maintenance and support of the district in fiscal year 2021.

Holmes Community College operates in a district composed of the counties of Attala, Carroll, Choctaw, Grenada, Holmes, Madison, Montgomery, Webster and Yazoo. The Grenada County Board of Supervisors appoints 2 of the 22 members of the college's board of trustees. The county levied \$407,396 in taxes for maintenance and support of the college in fiscal year 2021.

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

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

Region Six Mental Health/Mental Retardation Center/Life Help operates in a district composed of the counties of Attala, Carroll, Grenada, Holmes, Humphreys, Leflore, Montgomery and Sunflower. The Grenada County Board of Supervisors appoints one of the eight members of the board of commissioners. The county appropriated \$35,881 for maintenance and support of the center in fiscal year 2021.

(16) Tax Abatements.

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

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

Section 27-31-34, Miss. Code Ann.(1972)

Lease contracts, leases or leaseholds

There are three companies that have abatements under this statute.

Section 27-31-101 through Section 27-31-117, Miss. Code Ann.(1972)

All allowable property tax levies

Payments in lieu of taxes

There are eleven companies that have abatements under these statutes.

<u>Category</u>	<u>Amount of taxes Abated during the Fiscal Year</u>
Additions to furniture, mobile equipment and inventory	\$444,278
Leasehold interest construction	97,750

(17) Subsequent Events.

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the Statement of Net Position date, require disclosure in the accompanying notes. Management of Grenada County evaluated the activity of the County through February 6, 2023, (the date the financial statements were available to be issued), and determined that no subsequent events occurred requiring disclosure in the notes to the financial statements.

## GRENADA COUNTY

### REQUIRED SUPPLEMENTARY INFORMATION

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 5,822,242	5,960,096	5,960,096	
Licenses, commissions and other revenue	254,750	236,255	236,255	
Fines and forfeitures	136,500	192,187	192,187	
Intergovernmental revenues	1,060,800	1,422,022	1,422,022	
Charges for services	390,000	326,441	326,441	
Interest income	141,000	81,423	81,423	
Miscellaneous revenues	233,600	521,692	520,403	(1,289)
Total Revenues	<u>8,038,892</u>	<u>8,740,116</u>	<u>8,738,827</u>	<u>(1,289)</u>
<b>EXPENDITURES</b>				
Current:				
General government	5,057,484	3,948,795	3,948,795	
Public safety	3,797,597	3,801,756	3,801,756	
Public works	8,000	10,373	10,373	
Health and welfare	191,211	154,831	154,831	
Culture and recreation	108,000	108,000	108,000	
Education	24,000	24,000	24,000	
Conservation of natural resources	96,300	98,041	98,041	
Economic development and assistance	109,500	111,500	111,500	
Total Expenditures	<u>9,392,092</u>	<u>8,257,296</u>	<u>8,257,296</u>	
Excess of Revenues over (under) Expenditures	<u>(1,353,200)</u>	<u>482,820</u>	<u>481,531</u>	<u>(1,289)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in		1,008,500		(1,008,500)
Transfers out	<u>(276,918)</u>	<u>(598,689)</u>	<u>(231,577)</u>	<u>367,112</u>
Total Other Financing Sources and Uses	<u>(276,918)</u>	<u>409,811</u>	<u>(231,577)</u>	<u>(641,388)</u>
Net Change in Fund Balance	<u>(1,630,118)</u>	<u>892,631</u>	<u>249,954</u>	<u>(642,677)</u>
Fund Balances - Beginning	<u>5,031,921</u>	<u>4,469,432</u>	<u>5,117,942</u>	<u>648,510</u>
Fund Balances - Ending	<u>\$ 3,401,803</u>	<u>5,362,063</u>	<u>5,367,896</u>	<u>5,833</u>

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

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Interest income	\$ 80,000	56,344	56,344	
Miscellaneous revenues		3,045,198		(3,045,198)
Total Revenues	<u>80,000</u>	<u>3,101,542</u>	<u>56,344</u>	<u>(3,045,198)</u>
EXPENDITURES				
Current:				
Economic development and assistance	<u>3,000,000</u>	<u>3,101,187</u>	<u>3,101,187</u>	
Total Expenditures	<u>3,000,000</u>	<u>3,101,187</u>	<u>3,101,187</u>	
Excess of Revenues over (under) Expenditures	<u>(2,920,000)</u>	<u>355</u>	<u>(3,044,843)</u>	<u>(3,045,198)</u>
Net Change in Fund Balance	(2,920,000)	355	(3,044,843)	(3,045,198)
Fund Balances - Beginning	<u>6,304,966</u>	<u>3,299,080</u>	<u>6,344,278</u>	<u>3,045,198</u>
Fund Balances - Ending	<u>\$ 3,384,966</u>	<u>3,299,435</u>	<u>3,299,435</u>	

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

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$	2,015,999	2,015,999	
Interest income		718	718	
Total Revenues		2,016,717	2,016,717	
EXPENDITURES				
Current:				
Total Expenditures				
Excess of Revenues over (under) Expenditures		2,016,717	2,016,717	
Net Change in Fund Balance		2,016,717	2,016,717	
Fund Balances - Beginning				
Fund Balances - Ending	\$	2,016,717	2,016,717	

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



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

	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.059763%	0.058171%	0.057768%	0.057252%	0.064922%	0.059458%	0.059342%	0.060552%
County's proportionate share of the net pension liability (asset)	\$ 8,833,232	11,261,230	10,162,531	9,522,709	10,792,239	10,620,683	9,173,103	7,349,904
Covered payroll	\$ 4,041,069	3,873,523	3,785,622	3,691,962	3,965,599	3,803,651	3,707,333	3,700,057
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	218.59%	290.72%	268.45%	257.93%	272.15%	279.22%	247.43%	198.64%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

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

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 703,147	674,082	611,580	581,485	628,843	627,675	590,754	587,655
Contributions in relation to the contractually required contribution	<u>703,147</u>	<u>674,082</u>	<u>611,580</u>	<u>581,485</u>	<u>628,843</u>	<u>627,675</u>	<u>590,754</u>	<u>587,655</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 4,041,073	3,874,034	3,781,897	3,691,968	3,992,654	3,985,238	3,750,819	3,731,143
Contributions as a percentage of covered payroll	17.40%	17.40%	16.17%	15.75%	15.75%	15.75%	15.75%	15.75%

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

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

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

A. Budgetary Information.

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

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

B. Basis of Presentation.

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

C. Budget/GAAP Reconciliation.

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

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

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

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

<u>Governmental Fund Types</u>			
	<u>General Fund</u>	<u>Economic Development Fund</u>	<u>Coronavirus Fiscal Recovery Fund</u>
Budget (Cash Basis)	\$ 249,954	(3,044,843)	2,016,717
Increase (Decrease)			
Net adjustments for revenue accruals	(129,109)		(2,015,999)
Net adjustments for expenditure accruals	48,887		
GAAP Basis	\$ <u>169,732</u>	<u>(3,044,843)</u>	<u>718</u>

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%.

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

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

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

2019

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

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

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

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

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

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

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

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

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.

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

The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments:

For males, 97% of male rates at all ages.

For females, 110% of female rates at all ages.

Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 2.75% to 2.40%.

The wage inflation assumption was reduced from 3.00% to 2.65%.

The investment rate of return assumption was changed from 7.75% to 7.55%.

The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.

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

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

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

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

## GRENADA COUNTY

## SUPPLEMENTARY INFORMATION

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

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
<b>Community Facilities Loans and Grants Cluster:</b>			
U.S. Department of Agriculture - Rural Development (Direct)			
Community Facilities Grant Loans and Grants	10.766		\$ 267,884
<b>Total Community Facilities Loans and Grants Cluster</b>			<u>267,884</u>
<b>Economic Development Cluster:</b>			
U.S. Department of Commerce (Direct)			
Economic Development Administration			
Investments for Public Works and Economic Development Facilities	11.300		635,840
<b>Total Economic Development Cluster</b>			<u>635,840</u>
<b>Highway Planning and Construction Cluster:</b>			
U.S. Department of Transportation			
Passed through the Mississippi Department of Transportation			
Highway Planning and Construction	20.205	ER-0820-00(003)LPA	40,555
<b>Total Highway Planning and Construction Cluster</b>			<u>40,555</u>
<b>Other Programs:</b>			
U.S. Department of Agriculture (Direct)			
Natural Resources Conservation Service			
Emergency Watershed Protection Program	10.923		780,310
U.S. Department of Defense			
Passed Through the Mississippi Emergency Management Agency			
Flood Control Projects	12.106	MS Emer Mgmt	54,323
U.S. Department of Agriculture (Direct)			
Payments in lieu of taxes	15.226		254,930
U.S. Department of Justice			
Passed through the Mississippi Department of Public Safety			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	20DC1221	93,412
U.S. Department of the Treasury			
Passed through the Mississippi Emergency Management Agency			
Coronavirus Relief Fund	21.019	MS Emer Mgmt	8,354
Delta Regional Authority			
Direct program through Delta Regional Authority			
Delta Area Economic Development	90.201	MS54403	310,311
Delta Area Economic Development	90.201	MS5114	339,570
<b>Total Delta Regional Authority</b>			<u>649,881</u>
U.S. Department of Homeland Security			
Passed through the Mississippi Emergency Management Agency			
Disaster Grants-Public Assistance	97.036	FEMA-4429-DR-MS	218,393
Hazard Mitigation Grant	97.039	4314-DR-MS	52,421
<b>Total U.S. Department of Homeland Security</b>			<u>270,814</u>
<b>Total Expenditures of Federal Awards</b>			\$ <u>3,056,303</u>

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule



GRENADA COUNTY  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2021

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Grenada 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 Grenada County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Grenada County.

Note B - Summary of Significant Accounting Policies

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

Note C - Indirect Cost Rate

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

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

Operating Expenditures, Cash Basis:

Salaries	\$	72,282
Expendable Commodities:		
Gasoline and petroleum products		7,642
Repair parts		11,734
Professional services		2,374
Insurance		2,871
Solid waste disposal fee		593,963
Supplies (including equipment under the capitalization thresholds)		<u>4,670</u>

Solid Waste Cash Basis Operating Expenditures		695,536
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Full Cost Expenses:

Indirect administrative costs		11,565
Depreciation on equipment		28,090
Net effect of other accrued expenses		<u>90</u>

Solid Waste Full Cost Operating Expenses	\$	<u><u>735,281</u></u>
--	----	-----------------------

## GRENADA COUNTY

## OTHER INFORMATION

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

Name	Position	Company	Bond
Michael Lott	County Supervisor - District 1	FCCI Insurance Group	100,000
Timothy C. Bridges	County Supervisor - District 2	FCCI Insurance Group	100,000
Christopher Colombus Hankins	County Supervisor - District 3	FCCI Insurance Group	100,000
Darrell Robinson	County Supervisor - District 4	FCCI Insurance Group	100,000
Chad Gray	County Supervisor - District 5	FCCI Insurance Group	100,000
Johnny Hayward	Chancery Clerk	FCCI Insurance Group	100,000
Michele Redditt	Circuit Clerk	FCCI Insurance Group	100,000
Geneva Edwards Williams	Deputy Circuit Clerk	FCCI Insurance Group	50,000
Leatha Faye Collins	Deputy Circuit Clerk	RLI Insurance Company	50,000
LaPorche Baker	Deputy Circuit Clerk	RLI Insurance Company	50,000
Jessica T. Westmoreland	Deputy Circuit Clerk	FCCI Insurance Group	50,000
Charles D. Melton	Tax Collector/Assessor	FCCI Insurance Group	100,000
Robyn Perry Hood	Deputy Tax Collector	FCCI Insurance Group	50,000
Tammy Lynn McRee	Deputy Tax Collector	RLI Insurance Company	50,000
Ladayjah Buchanan	Deputy Tax Collector	FCCI Insurance Group	50,000
Lisa K. Roberson	Deputy Tax Collector	FCCI Insurance Group	50,000
Jennifer Annemarie Williamson	Deputy Tax Collector	RLI Insurance Company	50,000
Monica Shipp	Deputy Tax Collector	RLI Insurance Company	50,000
Stephanie Bell	Deputy Tax Assessor	FCCI Insurance Group	10,000
Tanesha Harbin Wilson	Deputy Tax Assessor	RLI Insurance Company	10,000
Sherrie Jones	Deputy Tax Assessor	FCCI	10,000
Rolando Fair	Sheriff	FCCI Insurance Group	100,000
Jimmy Tallant	Justice Court Judge	FCCI Insurance Group	50,000
Leon Williamson	Justice Court Judge	FCCI Insurance Group	50,000
Judith H. Eldridge	Justice Court Clerk	FCCI Insurance Group	50,000
Lucia M. Brown	Deputy Justice Court Clerk	FCCI Insurance Group	50,000
CaTiecha Eskridge	Deputy Justice Court Clerk	RLI Insurance Company	50,000
Dianne Horton-Tillman	Deputy Justice Court Clerk	RLI Insurance Company	50,000
Lucille Shipp	Deputy Justice Court Clerk	FCCI Insurance Group	50,000
Alexander Farmer	Constable	RLI Insurance Company	50,000
Stephan Howell	Constable	FCCI Insurance Group	50,000
Vickie J. Conley	Purchase Clerk	Western Surety Company	100,000
Sherrie Jones	Assistant Purchasing Clerk	FCCI Insurance Group	50,000
Latania Johnson	Receiving Clerk	RLI Insurance Company	75,000
Jennifer Moore	Assistant Receiving Clerk	RLI Insurance Company	50,000
Casey Vance	Assistant Receiving Clerk	RLI Insurance Company	50,000
Lewis Henry Bradford	Assistant Receiving Clerk	RLI Insurance Company	50,000
David C. Marter	Assistant Receiving Clerk	FCCI Insurance Group	50,000
Charles L. Williams	Assistant Receiving Clerk	FCCI Insurance Group	50,000
David Jeffery Hughes	Assistant Receiving Clerk	FCCI Insurance Group	50,000
Charles Mansfield	Assistant Receiving Clerk	RLI Insurance Company	50,000
Jonathan Eric Fowler	Assistant Receiving Clerk	FCCI Insurance Group	50,000
Stephanie Bell	Assistant Receiving Clerk	RLI Insurance Company	50,000
Angela Mullen	Inventory Control Clerk	FCCI Insurance Group	75,000
Karl Howard Grubb	County Engineer	FCCI Insurance Group	50,000

## GRENADA COUNTY

## SPECIAL REPORTS



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

Members of the Board of Supervisors  
Grenada 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, each major fund, and the aggregate remaining fund information of Grenada County, Mississippi (the County), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 6, 2023. Our report includes an adverse opinion on the aggregate discretely presented component units due to the omission of the discretely presented component units which are required by accounting principles generally accepted in the United States of America to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units

**Internal Control Over Financial Reporting**

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

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

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

## **Compliance and Other Matters**

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

We noted certain matters that we reported to the management of Grenada County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated February 6, 2023, included within this document.

## **Grenada County's Response to Finding**

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

## **Purpose of this Report**

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, MS  
February 6, 2023



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

Members of the Board of Supervisors  
Grenada County, Mississippi

### Report on Compliance for the Major Federal Program

We have audited Grenada 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 Grenada County, Mississippi's major federal program for the year ended September 30, 2021. Grenada 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 Grenada 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 Grenada 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 Grenada County, Mississippi's compliance.

### Opinion on the Major Federal Program

In our opinion, Grenada 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 Grenada 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 Grenada 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.

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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  
Grenada County, Mississippi

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

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

In our opinion, Grenada County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2021.

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

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, MS  
February 6, 2023

GRENADA COUNTY

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

Schedule 1

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

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

Schedule 2

Our tests did not identify any emergency purchases.

GRENADA COUNTY

Schedule 3

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

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



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## LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors  
Grenada County, Mississippi

In planning and performing our audit of the financial statements of Grenada County, Mississippi for the year ended September 30, 2021, we considered Grenada 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 Grenada County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated February 6, 2023, on the financial statements of Grenada 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:

### Board of Supervisors

1. All Supervisors must Inspect the Roads and Bridges and Attest to the Clerk of the Board for having done so.

**Repeat Finding** No.

**Criteria** *Section 65-7-117, Mississippi Code Annotated (1972)*, states that, "Each member of the board of supervisors shall inspect every road, bridge and ferry in each district at least annually, at times to be fixed by the board, and shall file with the clerk of the board a report, under oath, of the condition of the several roads, bridges and ferries inspected by him, with

such recommendations as are needful, which reports shall be presented to the board of supervisors and kept on file for three (3) years.”

<b>Condition</b>	During the course of our testing we noted that the Board of Supervisors had inspected the roads and bridges but no certifications on the minutes or affidavits from the supervisors were filed to document that they had examined the roads and bridges annually.
<b>Cause</b>	Annual inspections of the roads and bridges in the County have not been attested to having been done.
<b>Effect</b>	Failure to file an affidavit of said inspection can lead to failure to identify and to complete necessary improvements in a timely manner.
<b>Recommendation</b>	The Board of Supervisors should ensure that they either certify it on the minutes or file an affidavit with the Clerk of the Board for inclusion in the minutes.
<b>Response</b>	The Board of Supervisors will ensure that this is completed on an annual basis. This has been performed for the FY 2022 and copies of the approved reports are recorded in the BOS Minutes. This item has now been placed on the BOS Agenda Template to be performed annually.

#### **Chancery Clerk**

#### **2. The Chancery Clerk Should Strengthen Controls to Ensure Proper Separation of Duties.**

<b>Repeat Finding</b>	No.
<b>Criteria</b>	An effective system of internal control should include an adequate separation of duties in the receipting, depositing, recording, reconciling and settlement functions.
<b>Condition</b>	During the course of our audit, we were made aware of a situation involving the removal of funds from the Land Redemption account. After further testing, we also noted that the account had a deficit of approximately \$4,634.91.
<b>Cause</b>	The Chancery Clerk had not established a system of internal control with adequate separation of duties in the land redemption accounting process.
<b>Effect</b>	Failure to properly separate the accounting duties could result in the misappropriation of public funds.
<b>Recommendation</b>	<p>The Chancery Clerk should ensure that there is an adequate separation of duties in the receipting, depositing, recording, reconciling and settling functions within the office.</p> <p>We further recommend that the Chancery Clerk report the incident to the Office of the State Auditor’s Investigation Division.</p>
<b>Response</b>	This had been reported to the MS Dept. of Audit Criminal Division prior to the start of this Audit. The MS Dept. of Audit is working with the District Attorney’s office to recover the stolen funds. The computer software company was notified and they are in the process of updating the Land Redemption Software to ensure the settlement checks cannot be manipulated.



Separation of duties have been implemented as follows:

- Deputy Clerk #1 prepares deposits.
- Deputy Clerk #2 takes the deposits to the bank.
- Deputy Clerk #3 reconciles the bank statement and prepares the monthly settlement reports.
- Chancery Clerk review bank reconciliation and settlement reports.
- Deputy Clerk #3 is given authority to print settlement checks.
- Chancery Clerk review checks, signs, and mails checks.

## **Tax Collector**

**3.** The Tax Collector should ensure that assets are sufficient to settle all liabilities.

**Repeat Finding** No.

**Criteria** An effective system of accounting should ensure that all reported account balances are properly stated, and sufficient assets are available to extinguish all liabilities.

**Condition** During the course of our audit, we were made aware of a situation from 2009 involving the embezzlement of funds from the Tax Collector's account. Upon further discussion, we were made aware that there are uncertainties as to the reported balances of three ledger accounts. After further testing and analysis, we noted that the assets available for settlement of all liabilities were insufficient.

**Cause** The Tax Collector did not ensure that all account balances were correctly stated.

**Effect** Failure to properly account for all funds could result in the misappropriation of public funds or insufficient assets to settle all liabilities.

**Recommendation** The Tax Collector should investigate the relevant account balances to ensure that they are accurately stated. We recommend that particular attention be paid to the replacement of removed funds, the listing of bad checks, and the short/over account.

**Response** I apologize my bookkeeping knowledge is a little rusty, for I've only taken bookkeeping in high school many years ago. I was taught all money went to accounts receivable and then to the bank. My lack of knowledge of making sure that the money was settled properly and not showing to my bookkeeper's rest on me. I failed to make sure that funds were properly distributed to the correct accounts. My office employed an employee in 2009 that was embezzling money from accounts, bad check ledger, and deposits. She took a total of \$ 12174.40 plus interest & investigation fees \$5774.35 totaling \$ 17948.75. The employee was ordered to pay back all monies owed however, I'm not sure if the money was distributed correctly. The then bookkeeper has since passed away and the books weren't properly settled before bringing in the next bookkeeper. I realize now that the books and all settlements should have been closed out. The bookkeeper that came in after forced balanced the books to match clerk's checkup sheets. Once again upon that employee leaving the books weren't settled. This has been an ongoing thing and has never been properly taken care of. My current bookkeeper inherited a lot of unresolved issues with unsettled books. She is doing everything within in her ability to account for all money coming in and out of the office. Going forward we are doing our very best to keep track of accounts and the distribution.

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

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

Bridgers, Goodman, Baird & Clarke, PLLC  
Certified Public Accountants  
Vicksburg, MS  
February 6, 2023

GRENADA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

GRENADA COUNTY  
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   | Unmodified    |
| Aggregate discretely presented component units                  | Adverse       |
| General Fund  | Unmodified    |
| Economic Development Fund                                       | Unmodified    |
| Coronavirus Fiscal Recovery Fund                                | Unmodified    |
| County Road Construction Fund                                   | Unmodified    |
| Aggregate remaining fund information                            | Unmodified    |
| 2. Internal control over financial reporting:                   |               |
| a. Material weakness identified?                                | Yes           |
| b. Significant deficiency identified?                           | None reported |
| 3. Noncompliance material to the financial statements noted?    | No            |

**Federal Awards:**

- |  |               |
|--|---------------|
| 4. Internal control over major federal programs:   |               |
| a. Material weakness identified?   | No            |
| b. Significant deficiency noted?   | None reported |
| 5. Type of auditor's report issued on compliance for major federal programs:   | Unmodified    |
| 6. Any audit finding disclosed that is required to be reported in accordance with 2 CFR 200.516(a)?  | No            |
| 7. Identification of major federal programs:   |               |
| CFDA #10.923 – Emergency Watershed Protection Program  |               |
| CFDA #90.201 – Delta Area Economic Development   |               |
| 8. Dollar threshold used to distinguish between type A and type B programs:  | \$750,000     |
| 9. Auditee qualified as low-risk auditee?  | No            |
| 10. Prior fiscal year audit findings and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR200.511(b)? | No            |

## Section 2: Financial Statement Findings

### **Board of Supervisors.**

#### **Material Weakness**

<b>2021-001</b>	Component units should be included in the financial statements.
<b>Repeat Finding</b>	No.
<b>Criteria</b>	Generally accepted accounting principles require the financial data for the County's component units to be reported with the financial data of the County's primary government unless the county also issues financial statements for the financial reporting entity that include the financial data for its component units.
<b>Condition</b>	The financial statements do not include the financial data for the county's legally separate component units.
<b>Cause</b>	The County lacked the resources to include the audited financial statements of the component units.
<b>Effect</b>	The failure to properly follow generally accepted accounting principles resulted in an adverse opinion on the discretely presented component units.
<b>Recommendation</b>	The Board of Supervisors should provide the audited financial data for its discretely presented component units for inclusion in the County's financial statements.
<b>Response</b>	Management has chosen to omit component units from the financial statements of the County. We believe the cost and time of inclusion of component units would exceed the benefits derived.

## 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.

## AUDITEE'S CORRECTIVE ACTION PLAN



## Grenada County Board of Supervisors

Post Office Box 1208 • Grenada, MS 38902-1208  
Telephone (662) 226-1821

Michael Lott  
District 1

Chad Bridges  
District 2

C. Columbus Hankins  
District 3

Darrell Robinson  
District 4

Chad Gray  
District 5

Johnny L. Hayward, Clerk  
Jay Gore, III, Attorney

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

To Whom It May Concern:

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

The finding from the Schedule of Findings and Questioned Costs is discussed below. The finding is numbered consistently with the number assigned in the schedule. Section 1: Summary of Auditor's Results does not include findings and is not addressed.

**2021-001.**

Corrective Action Planned:

We believe that the cost of compliance with the requirement to provide audited financial data for the County's component units outweighs the benefits to the County. Therefore, management has chosen to omit the audited financial data for the component units for inclusion in the County's financial statements.

Anticipated Completion Date:

Not applicable

Signature and Contact Person Responsible for Corrective Action:

  
Johnny L. Hayward  
Chancery Clerk  
Phone #662-226-1821