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

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

**HINDS COUNTY
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HINDS COUNTY

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Hinds County, Mississippi

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Hinds County Economic Development Authority and the Hinds County Mental Health Commission, which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the aforementioned component units, are based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Hinds County, Mississippi, as of September 30, 2021, and the respective changes in financial position 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 Management's Discussion and Analysis, the Budgetary Comparison Schedules and corresponding notes, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County's Contributions, the Schedule of Changes in the County's Net OPEB Liability and Related Ratios, and the Schedule of County Contributions-OPEB be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Hinds 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 Regulations 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, based on our audit, the procedures performed as described above, the accompanying Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2024, on our consideration of Hinds 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 Hinds 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 Hinds County, Mississippi's internal control over financial reporting and compliance.

Bridgers, Goodman, Baird & Clarke, PLLC

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

June 25, 2024

HINDS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

**HINDS COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

The Management's Discussion and Analysis by Hinds County, Mississippi (the County) is designed to do the following (a) give a summary of the County's financial activities for the year ended September 30, 2021, (b) indicate any major financial issues, (c) show changes in the County's financial position, and (d) identify any significant variations from the County's financial plan (the original budget). This discussion and analysis by management is structured to highlight the fiscal year being audited. The financial statements and the notes to these statements give a more precise understanding of the County's financial picture.

The Management's Discussion and Analysis is a requirement from the Governmental Accounting Standards Board (GASB), which issues the standards for accounting for state and local governments. As a part of the many changes brought about by GASB Statement No. 34, Basic Financial Statements — and Management's Discussion and Analysis — for State and Local Governments, management is required to write a discussion and analysis for the purposes of making county government financial statements more like business statements which outline economic gain and loss.

Using the Annual Report

The following discussion is intended to describe the County's basic financial statements, which are comprised of 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. Required supplementary information is included in addition to the basic financial statements.

- **Government-wide Financial Statements.** The government-wide financial statements are designed to give you a business-like overview of the County's financial activities.

The focus of the Statement of Net Position is intended to be similar to the bottom line for the County and its governmental activities. It presents financial information on all the County's assets, liabilities and deferred inflows and outflows of resources, with the difference being reported as net position. From year to year, you can use the increases and decreases in net position as a possible indicator of the financial health of the County. You will be able to tell if it is improving, staying the same or weakening.

Component units are other governmental units over which the County (the Board of Supervisors as a group) can exercise influence and/or be obligated to provide financial assistance. These units are presented as separate columns in the government-wide financial statements.

The Statement of Activities is based on the gross and net cost of various activities. These are comprised of activities of government and component units, which are provided by the government's general tax and other revenues. The intent of this statement is to provide a summary of the cost analysis of the various government services.

Governmental activities of the County are comprised of general government, public safety, public works, health and welfare, culture and recreation, conservation of natural resources, economic development and assistance, and interest on long-term debt. General government includes the basic services for operating the government, collecting taxes, appraising property, building inspections, supervisors, chancery and circuit clerks, and operation of the courts. Public safety includes the Sheriff, emergency management, and fire services, while public works include the maintenance and construction of roads and bridges.

**HINDS COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

- **Fund Financial Statements.** The focus is on major funds rather than fund types. A fund is used to group related accounts for financial purposes or legal compliance. The funds of the County are divided into governmental and fiduciary funds.

Government funds account for basically the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements, governmental funds financial statements focus on current financial sources and uses. This is the manner in which the County's financial plan or budget is typically developed. Governmental funds include general, special revenue, debt service, and capital project funds.

- **Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accrual basis of accounting is used for fiduciary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The County's fiduciary balances are presented in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

Hinds County follows the Mississippi County Financial Accounting Manual to set up and maintain funds. The County adopts an annual operating budget for all governmental funds. As required supplementary information, this report includes a budgetary comparison schedule for the general fund and the major special revenue fund.

Effective October 1, 2014, the County adopted the new accounting and financial reporting guidance included in GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. This adoption required the County revise and established new accounting and financial reporting requirements for governments that provide their employees with pension benefits. The County provides its employees with pension benefits through the Mississippi Public Employees' Retirement System (PERS), a multiple-employer cost-sharing defined benefit retirement program administered by PERS. GASB 68 requires employers participating in multiple-employer cost-sharing plans, such as PERS, to record their proportionate share, as defined in GASB 68, of PERS' unfunded pension liability. The County has no legal obligation to fund this shortfall nor does it have any ability to affect funding, benefit, or annual required contribution decisions made by PERS.

**HINDS COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Government-wide Financial Analysis

Statements of Net Position

The following statement reflects the condensed Statements of Net Position at September 30, 2021 and 2020.

	2021	2020
<u>Assets</u>		
Current and other assets	\$ 160,734,212	127,777,979
Capital assets, net	171,332,853	174,569,720
Total Assets	<u>332,067,065</u>	<u>302,347,699</u>
<u>Deferred outflows</u>	<u>9,207,364</u>	<u>8,026,535</u>
<u>Liabilities</u>		
Current and other liabilities	46,221,521	18,527,912
Noncurrent liabilities	175,019,073	205,413,237
Total Liabilities	<u>221,240,594</u>	<u>223,941,149</u>
<u>Deferred inflows</u>	<u>82,595,929</u>	<u>57,011,317</u>
<u>Net Position:</u>		
Net investment in		
capital assets	89,741,757	88,331,718
Restricted	24,646,111	22,114,215
Unrestricted	(76,949,962)	(81,024,165)
Total Net Position	<u>\$ 37,437,906</u>	<u>29,421,768</u>

There are normal financial transactions that affect the Statements of Net Position.

- Net Results of Activities - This will either increase/decrease current assets and unrestricted assets. During FY 2021, net position increased by \$8 million from FY 2020. This increase is primarily due to an decrease in expenditures and payment of long-term debts.
- Borrowing for Capital - This will increase financial assets and long-term liabilities. During FY 2021, the County paid down \$4.8 million on borrowings for capital projects.
- The largest investments in depreciable capital assets are in roads and bridges (infrastructure), with a total of \$150.3 million. Roads and bridges and other infrastructure are included, as required by GASB 34, in the County's financial records. GASB also requires depreciation, a noncash expense, to be recorded. Accumulated depreciation for infrastructure was \$63.9 million on September 30, 2021.
- Principal Payment on Debt - This will reduce current assets, reduce long-term debt, reduce

**HINDS COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

unrestricted net position, and increase net investment in capital assets. The County reduced principal on long-term debt by \$6.4 million.

- Reduction of Capital Assets Through Depreciation - This will reduce capital assets and net investment in capital assets. This is a noncash expense. The County recorded depreciation of \$8.6 million in FY 2021.

Changes in Net Position

Hinds County's total revenue for the fiscal year ended September 30, 2021, was \$102.2 million, as compared to \$97.7 million for the fiscal year ended September 30, 2020. The total cost of services provided by the County was \$92.6 million for the fiscal year ended September 30, 2021, as compared to \$93.1 million for the fiscal year ended September 30, 2020. The County had an increase in net position of \$8 million related to an 4.60% increase in revenue, while expenditures decreased by 0.49%. The County continues to monitor its expenditures to keep the cost down.

The following table presents a summary of the changes in net position for the fiscal years ended September 30, 2021 and 2020.

	Governmental Activities	
	2021	2020
Program Revenues:		
Charges for services	\$ 13,094,016	9,775,047
Operating Grants	5,208,296	7,289,057
Capital Grants	4,524,347	3,537,725
General Revenues:		
Property taxes	71,264,425	65,553,613
Road and Bridge Privilege Taxes	3,162,077	2,798,710
Unrestricted Grants and Contributions	76,104	6,876,553
Unrestricted interest income	749,097	1,124,011
In Lieu Taxes	-	36,862
Miscellaneous	4,061,193	698,558
Gain (Loss) on Disposal of assets	46,736	-
Total Revenues	102,186,291	97,690,136
Program Expenses:		
General Government	31,802,484	30,712,929
Public Safety	30,478,758	32,699,766
Public Works	12,757,180	12,188,612
Health and Welfare	5,857,377	2,788,585
Culture and Recreation	1,663,967	1,842,560
Conservation of Natural Resources	180,930	263,550
Economic Development and Assistance	565,277	1,215,347
Interest on Long-Term Debt	4,416,877	3,767,209
Pension Expense	4,669,621	7,314,632
OPEB expense	244,630	302,826
Total Expenses	92,637,101	93,096,016
Changes in Net Position	\$ 9,549,190	4,594,120
Net Position - Beginning, as previously reported	29,421,768	29,556,069
Prior period adjustments	(1,533,052)	(4,728,421)
Net Position - Beginning, as restated	27,888,716	24,827,648
Net Position - Ending	37,437,906	29,421,768

HINDS COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

The following table presents the cost of ten major services provided by the County. These are general government, public safety, public works, health and welfare, culture and recreation, conservation of natural resources, economic development and assistance, interest on long-term debt, pension expense, and OPEB expense.

2021			
	Total Costs	Revenues	Net Costs
General Government	\$ 31,802,484	7,798,723	(24,003,761)
Public Safety	30,478,758	8,009,280	(22,469,478)
Public Works	12,757,180	2,661,864	(10,095,316)
Health and Welfare	5,857,377	4,356,792	(1,500,585)
Culture and Recreation	1,663,967	-	(1,663,967)
Conservation of Natural Resources	180,930	-	(180,930)
Economic Development	565,277	-	(565,277)
Interest on Long-Term Debt	4,416,877	-	(4,416,877)
Pension Expense	4,669,621	-	(4,669,621)
OPEB expense	244,630	-	(244,630)
Total	\$ <u>92,637,101</u>	<u>22,826,659</u>	<u>(69,810,442)</u>

2020			
	Total Costs	Revenues	Net Costs
General Government	\$ 30,712,929	7,397,059	(23,315,870)
Public Safety	32,699,766	7,486,427	(25,213,339)
Public Works	12,188,612	4,798,155	(7,390,457)
Health and Welfare	2,788,585	866,345	(1,922,240)
Culture and Recreation	1,842,560	53,843	(1,788,717)
Conservation of Natural Resources	263,550	-	(263,550)
Economic Development	1,215,347	-	(1,215,347)
Interest on Long-Term Debt	3,767,209	-	(3,767,209)
Bond issue costs	7,314,632	-	(7,314,632)
Pension Expense	302,826	-	(302,826)
Total	\$ <u>93,096,016</u>	<u>20,601,829</u>	<u>(72,494,187)</u>

Financial Analysis of the County's Funds

As of year-end, the governmental funds reported, as audited, a fund balance of \$65.2 million. This is an increase of \$4.5 million from the prior year's fund balance of \$60.7 million, which is mainly due to the ARPA Fund.

The General Fund, the County's primary operating fund, had an ending fund balance of \$40 million, an increase of \$1.8 million from the prior year.

**HINDS COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Capital Assets and Debt Administration

Capital Assets

As of September 30, 2021, the County had a total of \$290.8 million invested in a variety of depreciable capital assets. The largest investments in depreciable capital assets are in roads and bridges (infrastructure), with a total of \$150.3 million. Roads and bridges and other infrastructure are included, as required by GASB 34, in the County's financial records. GASB also requires depreciation, a noncash expense, to be recorded. Accumulated depreciation was \$147.2 million on September 30, 2021.

The County's total capital assets, net of depreciation, total \$171.3 million, compared to a prior year net balance of \$174.6 million.

Debt

On September 30, 2021, the County had \$110.7 million in outstanding long-term debt, including premiums and compensated absences. Also included are general obligation bonds, capital leases and other loans. This is \$6.4 million less than the prior year of \$117.1 million.

The State of Mississippi limits the amount of debt counties can issue to 20% of total assessed value. As of September 30, 2021, the amount of outstanding debt was equal to 4.34% of the latest property assessments.

	Balance Oct. 1, 2020	Additions	Reductions	Adjustments	Balance Sept. 30, 2021
Governmental Activities:					
Compensated absences	\$ 2,684,037	-	104,630	-	2,579,407
General obligation bonds	78,022,000	-	4,841,000	-	73,181,000
Add:					
Premiums	6,445,977	-	275,686	-	6,170,291
Capital Leases	10,470,305	359,479	898,264	-	9,931,520
Other loans	19,473,525	-	671,673	-	18,801,852
Total	<u>\$ 117,095,844</u>	<u>359,479</u>	<u>6,791,253</u>	<u>-</u>	<u>110,664,070</u>

Budget - Original vs. Final

The following is a review of the significant changes from the original budget to the final for the major governmental funds. The County's budget is a financial plan for the various departments and their management to follow during the year. This plan is made in the summer before the fiscal year starts in October. These estimates and projections change as the year progresses. Some changes to the budget are made by budget amendments, and the remainder is amended at the end of the year to reflect actual revenue received and expenditures made.

**HINDS COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Budget Analysis Summary

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Variance Between Original and Final Budgets</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance Between Final Budget and Actual</u>
General Fund					
Revenues	\$ 63,362,069	69,043,012	5,680,943	70,738,336	1,695,324
Expenditures	70,917,998	71,802,873	(884,875)	63,630,825	8,172,048
Other financing sources (uses)	4,803,858	4,854,658	50,800	(261,384)	(5,116,042)
ARPA Fund					
Revenues	\$ -	-	-	22,516,382	22,516,382
Expenditures	-	-	-	56,031	(56,031)
Other financing sources (uses)	-	-	-	-	-

The general fund revenue was running about 2.46% ahead of the final budget. This was primarily due to increase in charges for services, licenses, commissions, and other revenue collections. On the expenditure side, the County was able to hold expenditures below budget by approximately 11.38%. Restructuring in various departments resulted in the savings and positions not filled during the year.

Financial Contact

The County's financial statements are designed to present users with a general overview of the County's finances and to demonstrate the County's accountability and fiduciary responsibilities for the funds it receives and the services it provides. If you have any questions or need any additional information, please contact the County Administrator, 316 South President Street, Jackson, MS 39201 or (601) 968-6501.

HINDS COUNTY

FINANCIAL STATEMENTS

HINDS COUNTY
Statement of Net Position
September 30, 2021

Exhibit 1

	Primary Government	Component Units		
	Governmental	Economic	Mental	
		Development	Health	
	Activities	Authority	Commission	Total
ASSETS				
Cash	\$ 80,231,752	2,914,039	3,354,492	6,268,531
Property tax receivable	56,779,509	-	-	-
Fines receivable (net of allowance for uncollectibles of \$13,242,030)	162,249	-	-	-
Loans receivable	18,446,920	-	-	-
Intergovernmental receivables	1,541,823	42,523	1,196,599	1,239,122
Other receivables	3,181,696	-	1,593,300	1,593,300
Prepaid Items	390,263	1,798	132,310	134,108
Capital assets:				-
Land and construction in progress	27,782,604	5,428,806	1,019,322	6,448,128
Other capital assets, net	143,550,249	227,395	5,573,575	5,800,970
Total Assets	332,067,065	8,614,561	12,869,598	21,484,159
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	8,263,919	-	-	-
Deferred outflows related to OPEB	122,706	-	-	-
Deferred amount on refunding	820,739	-	-	-
Total Deferred Outflows of Resources	9,207,364	-	-	-
LIABILITIES				
Claims payable	2,783,478	595	263,839	264,434
Accrued liabilities	-	15,302	410,388	425,690
Intergovernmental payables	3,232,088	-	-	-
Matured bonds and interest payable	18,459	-	-	-
Accrued interest payable	1,348,215	-	13,226	13,226
Unearned revenue	28,147,138	-	-	-
Amounts held in custody for others	3,817,251	-	-	-
Other payables	154,617	-	-	-
Long-term liabilities				
Due within one year:				
Non-capital debt	1,754,110	-	578,922	578,922
Capital debt	4,966,165	-	530,000	530,000
Due in more than one year:				
Non-capital debt	26,498,125	-	1,834,471	1,834,471
Capital debt	77,445,670	-	2,985,000	2,985,000
Net OPEB liability	1,607,224	-	-	-
Net pension liability	69,468,054	-	-	-
Total Liabilities	221,240,594	15,897	6,615,846	6,631,743
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	24,479,080	-	-	-
Deferred inflows related to OPEB	1,337,340	-	-	-
Deferred revenues - property taxes	56,779,509	-	-	-
Total Deferred Inflows of Resources	82,595,929	-	-	-
NET POSITION				
Net investment in capital assets	89,741,757	5,656,201	3,073,453	8,729,654
Restricted for:				
Expendable:				
General government	813,468	-	-	-
Public safety	6,200,987	-	-	-
Public works	13,094,819	-	-	-
Health and welfare	1,010,975	-	-	-
Culture and recreation	579,286	-	-	-
Economic development and assistance	1,332,341	-	-	-
Debt service	1,614,235	-	-	-
Unrestricted	(76,949,962)	2,942,463	3,180,299	6,122,762
Total Net Position	\$ 37,437,906	8,598,664	6,253,752	14,852,416

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

HINDS 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	Component Units		Total
					Governmental Activities	Economic Development Authority	Mental Health Commission	
Primary government:								
Governmental activities:								
General government	\$ 31,802,484	7,004,049	407,964	386,710	(24,003,761)			
Public safety	30,478,758	6,087,568	350,786	1,570,926	(22,469,478)			
Public works	12,757,180	2,399	92,754	2,566,711	(10,095,316)			
Health and welfare	5,857,377	-	4,356,792		(1,500,585)			
Culture and recreation	1,663,967	-			(1,663,967)			
Conservation of natural resources	180,930	-	-	-	(180,930)			
Economic development and assistance	565,277	-	-	-	(565,277)			
Interest on long-term debt	4,416,877	-	-	-	(4,416,877)			
Pension expense	4,669,621	-	-	-	(4,669,621)			
OPEB expense	244,630				(244,630)			
Total Governmental Activities	<u>92,637,101</u>	<u>13,094,016</u>	<u>5,208,296</u>	<u>4,524,347</u>	<u>(69,810,442)</u>			
Component units:								
Economic Development Authority	\$ 573,314	-	-	-		(573,314)		(573,314)
Mental Health Commission	<u>14,254,917</u>	<u>12,904,235</u>	<u>-</u>	<u>-</u>			<u>(1,350,682)</u>	<u>(1,350,682)</u>
Total Component Units	<u>\$ 14,828,231</u>	<u>12,904,235</u>	<u>-</u>	<u>-</u>		<u>(573,314)</u>	<u>(1,350,682)</u>	<u>(1,923,996)</u>
General revenues:								
Property taxes				\$ 71,264,425	-	-	-	-
Road & bridge privilege taxes				3,162,077	-	-	-	-
Grants and contributions not restricted to specific programs				76,104	525,247	1,373,011		1,898,258
Unrestricted interest income				749,097	1,485	-		1,485
Miscellaneous				4,061,193	14,400	259,482		273,882
Gain (Loss) on disposal of assets				46,736	-	-		-
Total General Revenues, Contributions and Transfers				<u>79,359,632</u>	<u>541,132</u>	<u>1,632,493</u>		<u>2,173,625</u>
Changes in Net Position				<u>9,549,190</u>	<u>(32,182)</u>	<u>281,811</u>		<u>249,629</u>
Net Position - Beginning, as previously reported								
Prior period adjustments				<u>(1,533,052)</u>	-	991,463		991,463
Net Position - Beginning, as restated				<u>27,888,716</u>	<u>8,630,846</u>	<u>5,971,941</u>		<u>14,602,787</u>
Net Position - Ending								
				<u>\$ 37,437,906</u>	<u>8,598,664</u>	<u>6,253,752</u>		<u>14,852,416</u>

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

HINDS COUNTY
Balance Sheet – Governmental Funds
September 30, 2021

Exhibit 3

	<u>Major Funds</u>		<u>Other</u>	<u>Total</u>
	<u>General</u>	<u>ARPA</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
ASSETS				
Cash	\$ 26,424,784	22,460,351	31,346,617	80,231,752
Property tax receivable	40,980,540	-	15,798,969	56,779,509
Fines receivable (net of allowance for uncollectibles of \$13,242,030)	162,249	-	-	162,249
Loans receivable	18,446,920	-	-	18,446,920
Intergovernmental receivables	1,418,498	-	123,325	1,541,823
Other receivables	2,956,107	-	225,589	3,181,696
Due from other funds	-	-	431,311	431,311
Advances to other funds	514,000	-	-	514,000
Total Assets	\$ 90,903,098	22,460,351	47,925,811	161,289,260
LIABILITIES				
Liabilities:				
Claims payable	\$ 2,161,885	-	621,593	2,783,478
Intergovernmental payables	3,232,088	-	-	3,232,088
Due to other funds	431,311	-	-	431,311
Advances from other funds	-	-	514,000	514,000
Matured bonds and interest payable	-	-	18,459	18,459
Unearned revenue	-	22,460,351	5,686,787	28,147,138
Amounts held in custody for others	3,817,251	-	-	3,817,251
Other payables	154,617	-	-	154,617
Total Liabilities	\$ 9,797,152	22,460,351	6,840,839	39,098,342
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	40,980,540	-	15,798,969	56,779,509
Unavailable revenue - fines	162,249	-	-	162,249
Total Deferred Inflows of Resources	\$ 41,142,789	-	15,798,969	56,941,758
Fund balances:				
Nonspendable:				
Advances	514,000	-	-	514,000
Restricted for:				
General government	-	-	423,205	423,205
Public safety	-	-	6,200,987	6,200,987
Public works	-	-	13,094,819	13,094,819
Health and welfare	-	-	1,010,975	1,010,975
Culture and recreation	-	-	579,286	579,286
Economic development and assistance	-	-	1,332,341	1,332,341
Debt service	-	-	2,962,450	2,962,450
Unassigned	39,449,157	-	(318,060)	39,131,097
Total Fund Balances	\$ 39,963,157	-	25,286,003	65,249,160
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 90,903,098	22,460,351	47,925,811	161,289,260

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

HINDS COUNTY**Exhibit 3-1****Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
September 30, 2021**

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 65,249,160
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 \$147,220,186	171,332,853
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. Fines Receivable	162,249
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(110,664,070)
Other postemployment benefits are not due and payable in the current period and, therefore, are not reported in the funds.	(1,607,224)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(69,468,054)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(1,348,215)
Prepaid items, such as prepaid insurance, are accounted for as expenditures in the period of acquisition, and therefore, are not reported in the funds.	390,263
Deferred amount on refunding	820,739
Deferred outflows and inflows of resources related to pensions are applicable to to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	8,263,919
Deferred inflows of resources related to pensions	(24,479,080)
Deferred outflows related to other postemployment benefits	122,706
Deferred inflows related to other postemployment benefits	<u>(1,337,340)</u>
Total Net Position - Governmental Activities	\$ <u>37,437,906</u>

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

HINDS COUNTY
Exhibit 4
**Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds
For the Year Ended September 30, 2021**

	Major Funds		Other	Total
	General	ARPA	Governmental	Governmental
	Fund	Fund	Funds	Funds
REVENUES				
Property taxes	\$ 55,519,295	-	15,745,130	71,264,425
Road and bridge privilege taxes	-	-	3,162,077	3,162,077
Licenses, commissions and other revenue	4,004,446	-	48,152	4,052,598
Fines and forfeitures	2,567,996	-	410,254	2,978,250
Intergovernmental revenues	136,503	55,750	9,616,494	9,808,747
Charges for services	2,997,292	-	3,059,690	6,056,982
Interest income	711,444	281	37,372	749,097
Miscellaneous revenues	1,084,342	-	2,976,851	4,061,193
Total Revenues	67,021,318	56,031	35,056,020	102,133,369
EXPENDITURES				
Current:				
General government	31,848,005	55,140	2,516,963	34,420,108
Public safety	28,618,134	891	3,338,903	31,957,928
Public works	1,500,693	-	11,257,324	12,758,017
Health and welfare	614,182	-	5,124,494	5,738,676
Culture and recreation	74,955	-	1,536,127	1,611,082
Conservation of natural resources	180,930	-	-	180,930
Economic development and assistance	52,305	-	512,972	565,277
Debt service:				
Principal	975,925	-	5,435,012	6,410,937
Interest	1,079,825	-	3,395,335	4,475,160
Total Expenditures	64,944,954	56,031	33,117,130	98,118,115
Excess of Revenues over (under) Expenditures	2,076,364	-	1,938,890	4,015,254
OTHER FINANCING SOURCES (USES)				
Long-term capital debt issued	-	-	359,479	359,479
Proceeds from sale of capital assets	139,920	-	41,696	181,616
Transfers in	75,807	-	477,111	552,918
Transfers out	(477,111)	-	(75,807)	(552,918)
Total Other Financing Sources and Uses	(261,384)	-	802,479	541,095
Net Changes in Fund Balances	1,814,980	-	2,741,369	4,556,349
Fund Balances - Beginning	38,148,177	-	22,544,634	60,692,811
Fund Balances - Ending	\$ 39,963,157	-	25,286,003	65,249,160

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

HINDS 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	\$ 4,556,349
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 \$8,604,239 exceeded capital outlays of \$7,035,303 in the current period.	(1,568,936)
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net gain of \$46,736 and the proceeds from the sale of \$181,616 in the current period.	(134,880)
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.	6,186
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 \$6,410,937 exceeded debt proceeds of \$359,479.	6,051,458
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Accrued interest payable	(163,239)
Compensated absences payable	104,630
Amortization of bond premiums	275,686
Amortization of refunding charges on long-term debt	(54,164)
Under the modified accrual basis of accounting used in the Governmental Funds, prepaid items are reported as expenditures. However, in the Statement of Activities, only the portion of expenses related to the current period are reported. Thus, the change in net position differs from the change in fund balance by the amount of increase in prepaid items.	(89,074)
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	(4,669,621)
Recording of contributions made during the year	5,418,785
Some items reported in the Statement of Activities relating to the implementation of GASB 75 are not reported in the governmental funds. These activities include:	
Recording of OBEB expense for the current period	(244,630)
Recording of contributions made during the year	60,640
Change in Net Position of Governmental Activities	\$ <u>9,549,190</u>

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

HINDS COUNTY
Statement of Fiduciary Net Position
September 30, 2021

Exhibit 5

	Custodial Funds
ASSETS	
Cash and investments	\$ 347,408
Total Assets	\$ 347,408
LIABILITIES	
Amounts held in custody for others	\$ 81,142
Intergovernmental payables	266,266
Total Liabilities	\$ 347,408
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	\$ -
Total net position	-

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

HINDS COUNTY**Exhibit 6****Statement of Changes in Fiduciary Net Position
For the Year Ended September 30, 2021**

	Custodial Funds
ADDITIONS	
Collections for assessments	\$ 1,923,250
Transfers in from related entities	15,163,473
Total Additions	<u>17,086,723</u>
DEDUCTIONS	
Payments of assessments to other organizations	879,796
Payments of tax to other governments	16,206,927
Total Deductions	<u>17,086,723</u>
Net increase (decrease) in fiduciary net position	-
Net Position - Beginning	<u>-</u>
Net Position - Ending	<u>\$ -</u>

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

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

A. Financial Reporting Entity.

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

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

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

B. Individual Component Unit Disclosures.

Discretely Presented Component Units

The component unit columns in the financial statements include the financial data of the following component units of the County. They are reported in a separate column to emphasize that they are legally separate from the County. A majority of the members of the governing bodies of these component units were appointed by the County Board of Supervisors.

The County reports the following discretely presented component units. Complete financial statements for these component units can be obtained through the Hinds County Board of Supervisors.

Hinds County Economic Development Authority- In accordance with House Bill No. 1687 of the laws of the State of Mississippi, the Hinds County Board of Supervisors established the Hinds County Economic Development Authority (the Authority). The Board of Supervisors appoints board members to the Authority and provides the Authority with operating funds. The Board of Supervisors sets the tax millage rates for the Authority, which creates a fiscal accountability relationship. Complete financial statements for the Authority can be obtained from 909 North President Street, Jackson, Mississippi 39202.

Hinds County Mental Health Commission- Pursuant to Miss. Code Sections 41-19-31 and 41-19-33 and a resolution adopted by the Hinds County Board of Supervisors, the Hinds County Mental Health Commission (the Commission) was formed. The Commission is governed by a seven-member Board appointed by the Hinds County Board of Supervisors. The Board of Supervisors sets the tax millage rates for the Commission, which creates a fiscal accountability relationship. The Commission operates on a calendar year reporting cycle and the financial statements as of and for the year ended December

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

31, 2021, are included in the government-wide financial statements. For fiscal year 2020, the County reported the Commission's audited financials for their fiscal year ending December 31, 2019. For the County's fiscal year 2021 audit report, we have opted to make the change to include the Commission's fiscal year 2021 audit report. This change may affect the comparability of the reports with respect to the Commission. Complete financial statements for the Commission can be obtained from 3450 Highway 80 West, Jackson, Mississippi 39209.

C. Basis of Presentation.

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

Government-wide Financial Statements:

The Statement of Net Position and the Statement of Activities display information concerning the County as a whole. The statements include all nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. The primary government is reported separately from its legally separate component units for which the primary government is financially accountable.

The Statement of Net Position presents the financial condition of the governmental activities 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-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 a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows, liabilities, deferred inflows, fund balance, 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. Non-major funds are aggregated and presented in a single column as Other Governmental Funds.

D. 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.

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

Governmental fund 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.

ARPA Fund – This fund is used to account for monies from the American Rescue Plan Act which are required to be spent in accordance with the guidelines provided in this Act

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 expenditures for specified purposes other than debt service or capital projects.

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

FIDUCIARY FUND TYPE

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

E. Account Classifications.

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

F. Deposits 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,

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

or any county, municipality or school district of this state. Further, the County may invest in certain repurchase agreements.

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

G. Receivables.

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

H. Interfund Transactions and Balances.

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

I. Prepaid Items.

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

J. Capital Assets.

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the 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 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, 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

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

expense is taken for all purchases and sales of capital assets during the year. The following schedule details those thresholds and estimated useful lives:

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

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

K. Deferred Outflows/Inflows of Resources.

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

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

Deferred outflows related to pensions – This amount represents the County's proportionate share of the deferred outflows of resources reported by the pension plan in which the County participates. See Note 13 for additional details.

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and 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 non-exchange revenue transactions are received or reported as a receivable before the period for which property taxes are levied.

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

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

Deferred inflows related to pensions – This amount represents the County’s proportionate share of the deferred inflows of resources reported by the pension plan in which the County participates. See Note 13 for additional details.

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

L. 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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

M. Pensions.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, 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 benefit terms. Investments are reported at fair value.

N. Other Postemployment Benefits

Plan Description

The Hinds County Board of Supervisors administers the County’s health insurance plan, which is authorized by Section 25-15-101 et seq., Mississippi Code Ann. (1972). The County’s health insurance plan may be amended by the Hinds County Board of Supervisors. The County purchases health insurance coverage from a commercial insurance company and offers health insurance benefit coverage through the County’s health insurance plan (the Plan). Since retirees may obtain health insurance by participating in a group with active employees and consequently receive a health insurance premium rate differential, the County has postemployment healthcare benefit reportable under GASB Statement 75 as a single employer defined benefit health care plan. The County does not issue a publicly available financial report for the Plan.

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

O. Compensated Absences.

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

P. 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."

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

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

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

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

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

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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

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

Q. Property Tax Revenues.

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

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

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

R. 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.

S. 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

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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.

NOTE 2 – PRIOR PERIOD ADJUSTMENTS.

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

Exhibit 2- Statement of Activities- Governmental Activities:

Explanation	Amount
To correct prior year error in reporting of capital assets	\$ (1,533,052)
Total prior period adjustments	<u>\$ (1,533,052)</u>

Exhibit 2- Statement of Activities- Component Units:

Explanation	Amount
Mental Health Commission:	
To recognize ad valorem tax revenues	\$ 991,463
Total prior period adjustments	<u>\$ 991,463</u>

NOTE 3 – DEPOSITS AND INVESTMENTS.

Deposits:

Hinds County:

The carrying amount of the County's total deposits with financial institutions at September 30, 2021, was \$80,579,160 and the bank balance was \$92,071,358. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of 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).

The carrying amount of Hinds County Mental Health Commission's total deposits with financial institutions at December 31, 2021 was \$3,354,492 and the bank balance was \$3,456,946, of which all were insured or collateralized. These funds are collateralized under the same program as the County's funds above.

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

The carrying amount of Hinds County Economic Development Authority's total deposits with financial institutions at December 31, 2021 was \$2,914,039 and the bank balance was \$2,914,039, of which all were insured or collateralized. These funds are collateralized under the same program as the County's funds above.

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.

NOTE 4 - INTERFUND TRANSACTIONS AND BALANCES.

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

A. Due From/To Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Other Governmental Funds	General Fund	\$ 431,311
Total		\$ <u>431,311</u>

Receivables represent tax revenues and law library fees collected but not settled until October 2021. All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Advances from/to Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 514,000
Total		\$ <u>514,000</u>

The receivables represent loans to provide funds for grant expenditures until grant proceeds are received.

C. Transfers In/Out

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 75,807
Other Governmental Funds	General Fund	477,111
Total		\$ <u>552,918</u>

The principal purpose of inter-fund transfers was to correct bookkeeping errors or provide funds for grant matches. All inter-fund transfers were routine and consistent with the activities of the fund making the transfer.

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 5 - INTERGOVERNMENTAL RECEIVABLES.

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

Description	Amount
Legislative Tax Credit	\$ 1,249,421
Additional Privilege Tax	52,307
County reimbursement	48,292
Hinds County School Resource Officer	38,790
MEMA Grant	24,859
DUI Grant	23,119
Crime victim assistance	21,329
State Aid Road Grant	18,945
Youth Court/Detention	17,447
Truck and Bus Privilege Tax	17,216
Severance Tax	9,474
District Attorney Worthless Checks	9,299
Food Stamps/Welfare	2,982
Various grants	5,763
Other intergovernmental receivables	2,580
	<u>\$ 1,541,823</u>

NOTE 6 – LOANS RECEIVABLE.

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

Description	Date of Loan	Interest Rate	Maturity Date	Amount
King Edward Revitalization Company-CDBG Loan (A)	05/2009	1.00%	11/2030	1,898,275
Westin Hotel (B)	04/2014	3.25%	08/2033	16,548,645
			\$	<u>18,446,920</u>

- A. This loan originated as a grant from the Mississippi Development Authority (MDA). The County loaned the grant funds to the King Edward Revitalization Company (KERC). The County is responsible for monitoring the loan, collecting principal and interest payments from KERC and remitting all principal and interest received to MDA. The related payable to MDA is recorded as a long-term liability. During fiscal year 2021, this loan receivable and the related loan payable were given a forbearance to defer 20 months of principal payments. The interest rate and final payment date remain the same.
- B. This loan originated as a loan from MDA pursuant to HB No. 1049. The County loaned the funds to Capital Hotel Associates (CHA) to develop a 200-bed Westin Hotel. The County is responsible for monitoring the loan, approving interim payments, collecting principal and interest payments from CHA, and remitting all principal and interest to MDA. The receivable is backed by a personal guarantee of CHA's investors. The related payable to MDA is recorded as a long-term liability.

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

During fiscal year 2021, this loan receivable and the related loan payable were given a forbearance to defer two principal payments. The interest rate and final payment date remain the same.

NOTE 7 – DEVELOPMENT OF INDUSTRIAL PARKS

Component Unit- Hinds County Economic Development Authority

Wyndale Industrial Center (formerly J.C. ‘Sonny’ McDonald Industrial Center)

At the October 26, 2017 board meeting, the J.C. “Sonny” McDonald Industrial Park was changed to Wyndale Industrial Center. In 1994, the County issued general obligation bonds in the amount of \$6,100,000 to provide funds principally for the purchase of land and the payment of development costs associated with two (2) industrial parks \$5,539,000 with the remaining funds to be used for improvements to existing parks located in the County.

The Hinds County Board of Supervisors granted ownership of the new industrial park properties to the Authority with the right and responsibility of developing and marketing such properties. All proceeds received by the Authority from the sale of the properties are to be immediately disbursed to the County for use in retiring the bond indebtedness.

The Authority has been in the process of developing the Wyndale Industrial Center and the following expenditures, net of cost of sales, impairments and nonsaleable portion, have been incurred for the purchase of land and development costs as of September 30, 2021:

Land	\$	792,015
Land development costs		<u>4,061,286</u>
Total	\$	<u><u>4,853,301</u></u>

In June 2007, the Hinds County Board of Supervisors donated 343.81 acres of the John Bell Williams Airport land to the Authority so that it could be developed into an Industrial Park. The land was recorded at book value by the County. The Authority has begun to develop the property as Hinds County Aerotech Park. The land and development costs to date on this park are as follows:

Land, transferred from Hinds County	\$	223,532
Land development costs		<u>286,973</u>
Total	\$	<u><u>510,505</u></u>

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 8 - CAPITAL ASSETS.

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

Governmental Activities	Balance Oct. 1, 2020	Additions	Deletions	Adjustments	Balance Sept. 30, 2021
Non-depreciable capital assets:					
Land	1,404,237	394,520	-	-	1,798,757
Construction in progress	27,534,066	3,901,771	-	(5,451,990)	25,983,847
Total non-depreciable capital assets	28,938,303	4,296,291	-	(5,451,990)	27,782,604
Depreciable capital assets:					
Infrastructure	146,396,450	-	-	3,918,938	150,315,388
Buildings	56,029,964	450,520	-	-	56,480,484
Improvements other than buildings	15,915,736	-	22,985	-	15,892,751
Mobile equipment	24,688,614	1,526,778	874,957	284,038	25,624,473
Furniture and equipment	29,793,095	414,885	21,000	-	30,186,980
Leased property under capital lease	12,207,569	346,829	-	(284,038)	12,270,360
Total depreciable capital assets	285,031,428	2,739,012	918,942	3,918,938	290,770,436
Less accumulated depreciation for:					
Infrastructure	61,241,607	2,691,678	-	-	63,933,285
Buildings	24,816,811	966,145	-	-	25,782,956
Improvements other than buildings	8,616,454	528,963	919	-	9,144,498
Mobile equipment	19,189,218	1,150,135	762,353	155,261	19,732,261
Furniture and equipment	22,868,452	2,349,205	20,790	-	25,196,867
Leased property under capital lease	2,667,469	918,113	-	(155,262)	3,430,320
Total accumulated depreciation	139,400,011	8,604,239	784,062	(1)	147,220,187
Depreciable capital assets, net	145,631,417	(5,865,227)	134,880	3,918,939	143,550,249
Governmental activities capital assets, net	174,569,720	(1,568,936)	134,880	(1,533,051)	171,332,853

Adjustments are for reclassification of completed construction in progress to infrastructure, reclassification of paid off lease-purchases and improvements other than buildings, to adjust immaterial differences and to correct prior year errors.

Depreciation expense was charged to the following functions:

Governmental Activities	Amount
General government	\$ 921,997
Public safety	3,978,958
Public works	3,503,012
Health and welfare	128,947
Culture and recreation	71,325
Total	\$ 8,604,239

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
Byram-Clinton Corridor	\$ Not Determined	Not Determined
Jail Construction	Not Determined	Not Determined
Crisler Road Bridge	78,220	FYE 2022
Louis Brown Road Bridge	143,955	FYE 2022
Old Jackson Road Bridge	Not Determined	Not Determined
Carol Johns Bridge	Not Determined	FYE 2022
Dunn Pease Bridge	Not Determined	Not Determined
W Countyline Road	Not Determined	Not Determined
Rosemary Road	1,534,034	FYE 2023
Courthouse Elevator Mod. Phase	Not Determined	FYE 2022
Volunteer Fire Station- Springridge	Not Determined	FYE 2022
Volunteer Fire Station- Pocahontas	Not Determined	Not Determined
Volunteer Fire Station- Midway	Not Determined	Not Determined
	<u>1,756,209</u>	

Component Units:

The component units' capital asset balances are as follows:

Hinds County Mental Health Commission	Balance				Balance
Non-depreciable capital assets:	Jan. 1, 2021	Additions	Deletions	Adjustments	Dec. 31, 2021
Land	1,019,322	-	-	-	1,019,322
Software development in progress	409,213	59,008	-	(468,221)	-
Total non-depreciable capital assets	1,428,535	59,008	-	(468,221)	1,019,322
Depreciable capital assets:					
Buildings	5,803,500	-	-	-	5,803,500
Leasehold improvements	1,333,882	1,129	-	-	1,335,011
Furniture and equipment	1,766,394	86,805	4,700	468,221	2,316,720
Total depreciable capital assets	8,903,776	87,934	4,700	468,221	9,455,231
Less accumulated depreciation for:					
Buildings	1,880,668	145,088	-	-	2,025,756
Leasehold improvements	370,591	83,601	-	-	454,192
Furniture and equipment	1,250,642	155,504	4,438	-	1,401,708
Total accumulated depreciation	3,501,901	384,193	4,438	-	3,881,656
Depreciable capital assets, net	5,401,875	(296,259)	262	468,221	5,573,575
Governmental activities capital assets, net	6,830,410	(237,251)	262	-	6,592,897

Depreciation expense was charged to the following functions:

	Amount
Health and welfare	\$ 145,088
Hinds Behavioral Health Services	239,105
Total	<u>\$ 384,193</u>

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

Hinds County Economic Development Authority	Balance				Balance
	Oct. 1, 2020	Additions	Deletions	Adjustments	Sept. 30, 2021
Non-depreciable capital assets:					
Land	65,000	-	-	-	65,000
Construction in progress	5,363,806	-	-	-	5,363,806
Total non-depreciable capital assets	5,428,806	-	-	-	5,428,806
Depreciable capital assets:					
Buildings and improvements	398,158	-	-	-	398,158
Furniture and equipment	197,239	6,185	-	-	203,424
Total depreciable capital assets	595,397	6,185	-	-	601,582
Less accumulated depreciation::	354,187	20,000	-	-	374,187
Depreciable capital assets, net	241,210	(13,815)	-	-	227,395
Governmental activities capital assets, net	5,670,016	(13,815)	-	-	5,656,201

NOTE 9 - CLAIMS AND JUDGMENTS.

Risk Financing:

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

NOTE 10 – CAPITAL LEASES.

As Lessee:

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

<u>Classes of Property</u>	<u>Governmental Activities</u>
Improvements other than buildings	\$ 6,791,689
Mobile Equipment	5,466,672
Furniture and Equipment	<u>11,999</u>
Total	\$ 12,270,360
Less: Accumulated depreciation	<u>(3,430,320)</u>
Leased Property Under Capital Leases	<u><u>8,840,040</u></u>

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

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

Year ending September 30:	Capital Leases	
	General obligation Bonds	
	Principal	Interest
2022	\$ 865,016	320,567
2023	834,565	295,266
2024	874,083	270,786
2025	888,459	245,037
2026	929,735	218,909
2027-2031	2,342,192	780,333
2032-2036	2,584,552	394,541
2037	612,918	21,648
Total	<u>\$ 9,931,520</u>	<u>2,547,087</u>

NOTE 11 – LONG-TERM DEBT.

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
A. General Obligation Bonds:			
2007B Special Obligation Bonds	9,830,000	5.46%	10/2036
2017A Taxable General Obligation Refunding Bonds	6,311,000	2.88/2.98%	11/2027
2017 General Obligation MDB Bonds	35,455,000	3.00/5.00%	11/2047
2015 General Obligation Refunding Bonds	9,080,000	2.00/4.00%	10/2036
2016A General Obligation Refunding Bonds	5,355,000	3.00/4.00%	10/2036
2017A General Obligation Refunding Bonds	7,150,000	3.00/4.00%	8/2036
Total General Obligation Bonds	<u>73,181,000</u>		

HINDS COUNTY
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For the Year Ended September 30, 2021

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
B. Capital Leases			
2018 Trustmark L-P Vehicles	51,608	3.50%	12/2021
2019 J C Energy Upgrades	6,484,484	3.53%	03/2037
2017 Public Works L-P Equipment	3,019,241	2.75%	01/2027
2018 Hancock Bank VFD Vehicle	15,483	3.11%	07/2022
2018 HIDTA L-P Bancorp South Equipment	1,225	3.74%	10/2021
2021 Public Works Equipment	359,479	1.80%	07/2026
Total Capital Leases	<u>9,931,520</u>		
C. Other Loans			
Katrina CDBG Loan- King Edward	1,898,275	0.83%	11/2030
MDA Westin Hotel Loan	16,548,645	3.25%	08/2033
2019 Trustmark Bank Note- VFD	354,932	2.94%	09/2024
Total Other Loans	<u>18,801,852</u>		

Pledge of Future Revenues – The County has pledged future revenues for loans receivable to repay \$19,006,975 in loans issued by the Mississippi Development Authority. Proceeds from the loans provided financing for construction of the King Edward and Westin hotels. The loans are not a general obligation of the County and, therefore, are not secured by the full faith and credit of the County. The bonds are payable solely from income derived from the operation of the hotels. Annual principal and interest payments on the loans are expected to required one hundred percent of net revenues. The total principal and interest remaining to be paid on the loans is \$22,110,979. Principal and interest paid for the current year equaled total revenues of \$1,116,772.

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

Year ending September 30:	Governmental Activities		Other Loans	
	General obligation Bonds			
	Principal	Interest	Principal	Interest
2022	\$ 4,439,000	3,055,290	\$ 1,416,259	557,522
2023	4,628,000	2,880,177	1,509,560	515,145
2024	4,804,000	2,691,588	1,553,988	470,718
2025	5,020,000	2,485,534	1,474,481	424,890
2026	4,567,000	2,280,195	1,518,068	381,303
2027-2031	23,573,000	8,289,981	8,107,936	1,203,460
2032-2036	17,985,000	3,331,433	3,221,560	132,093
2037-2041	3,080,000	1,224,600	-	-
2042-2046	3,500,000	599,063	-	-
2047-2048	1,585,000	55,913	-	-
Total	<u>\$ 73,181,000</u>	<u>26,893,774</u>	<u>\$ 18,801,852</u>	<u>3,685,131</u>

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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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 4.34% of the latest property assessments.

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

	Balance Oct. 1, 2020	Additions	Reductions	Adjustments	Balance Sept. 30, 2021	Amount due within one year
Governmental Activities:						
Compensated absences	\$ 2,684,037	-	104,630	-	2,579,407	
General obligation bonds	78,022,000	-	4,841,000	-	73,181,000	4,439,000
Add:						
Premiums	6,445,977	-	275,686	-	6,170,291	
Capital Leases	10,470,305	359,479	898,264	-	9,931,520	865,016
Other loans	19,473,525	-	671,673	-	18,801,852	1,416,259
Total	\$ 117,095,844	359,479	6,791,253	-	110,664,070	6,720,275

Compensated absences will be paid by the funds from which the employees' salaries were paid which are generally the General Fund, Countywide Road Fund, and Countywide Bridge Fund.

Component Unit:

The debt outstanding at December 31, 2021 for the Hinds County Mental Health Commission (the Commission) is as follows:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
A. Other Loans			
Real estate loan payable	2,975,000	4.25%	05/2027
Loan payable	540,000	3.55%	08/2032
PPP Loan Payable	1,913,342	1.00%	04/2026
Total Other Loans	<u>5,428,342</u>		

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

Annual debt service requirements to maturity at December 31, 2021 for the following debt reported in the Commission's Statement of Net Position are as follows:

Year ending September 30:	Other Loans	
	Principal	Interest
2022	\$ 881,378	104,341
2023	1,014,103	75,105
2024	1,028,916	58,261
2025	1,043,778	41,150
2026	675,167	25,009
2027-2031	750,000	25,082
2032	35,000	479
Total	<u>\$ 5,428,342</u>	<u>329,427</u>

The following is a summary of changes in long-term liabilities and obligations for the year ended December 31, 2021 for the commission.

	Balance Jan. 1, 2021	Additions	Reductions	Adjustments	Balance Dec. 31, 2021	Amount due within one year
Compensated absences	\$ 550,477	496,249	546,675	-	500,051	227,544
Other loans	4,035,000	1,913,342	520,000	-	5,428,342	881,378
Total	<u>\$ 4,585,477</u>	<u>2,409,591</u>	<u>1,066,675</u>	<u>-</u>	<u>5,928,393</u>	<u>1,108,922</u>

NOTE 12 – OTHER POSTEMPLOYMENT BENEFITS.

Plan Description

The Hinds County Board of Supervisors administers the County's health insurance plan, which is authorized by Sections 25-15-101 et seq., *Mississippi Code of 1972 Annotated*. The County's health insurance plan may be amended by the Hinds County Board of Supervisors. The County purchases health insurance coverage from a commercial insurance company and offers health insurance benefit coverage through the County's health insurance plan (the Plan). Since retirees may obtain health insurance by participating in a group with active employees and consequently receive a health insurance premium rate differential, the County has a postemployment healthcare benefit reportable under GASB Statement 75 as a single employer defined benefit health care plan. The County does not issue a publicly available financial report for the Plan.

Funding Policy

Employees' premiums are funded by the County with additional funding provided by retired employees and by active employees for spouse and dependent medical coverage. The Plan is financed on a pay-as-you-go basis. The Board of Supervisors, acting in conjunction with the commercial insurance company, has the sole authority for setting health insurance premiums for the County's health insurance plan.

Per Section 25-15-103, Mississippi Code Ann. (1972), any retired employee electing to purchase retiree health insurance must pay the full cost of the insurance premium monthly to the County. For the year

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

ended September 30, 2021, retiree premiums range from \$793 to \$1,127, depending on dependent coverage and Medicare eligibility.

Employees covered by benefit terms. At September 30, 2021, the following employees were covered by the benefit terms:

Active employees	637
Active employees entitled to but not yet receiving benefit payments	181
Inactive employees or beneficiaries currently receiving benefit payments	<u>11</u>
Total	<u><u>829</u></u>

The County's total OPEB liability of \$1,607,224 was measured as of September 30, 2021, and was determined by an actuarial valuation of October 1, 2021. The County's Health Insurance Plan's Report of the Actuary on the Other Postemployment Benefits Valuation was prepared as of October 1, 2021 for the years ending September 30, 2021 and 2022.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the September 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	2.00%, average, including inflation
Discount rate	2.43%
Healthcare cost trend rates	6.25% graded down to 5.50% over 3 yers. After the transition period, medical trend follows the Getzen model
Retirees' share of benefit-related costs	100% of projected health insurance premiums for retirees

The actuarial assumptions used in the October 1, 2021 valuation have been prepared using employee data and plan documentation furnished by the County as of October 1, 2021.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at September 30, 2020	\$ 2,367,507
Changes for the year:	
Service cost	277,048
Interest	95,088
Change in benefit terms	-
Difference between expected and actual experience	(1,204,710)
Changes of assumptions or other inputs	132,931
Benefit payments	(60,640)
Net Change	<u>(760,283)</u>
Balance at September 30, 2021	\$ <u><u>1,607,224</u></u>

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

The following changes were made to the actuarial assumptions and methods effective October 1, 2021.

1. The discount rate is 2.43% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of September 30, 2021 compared to the prior discount rate of 3.68%
2. Medical trend was set to follow the Getzen Model after a 3 year transition period starting at 6.35% decreasing uniformly to 5.50% over 3 years.
3. The mortality rate has been updated to use the PubG Headcount-weighted mortality tables with improvement scale MP2021.
4. The excise tax has been repealed and no longer included in the valuation liability.

Sensitivity to the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate.

	1% Decrease (1.43%)	Current Discount Rate (2.43%)	1% Increase (3.43%)
Net OPEB Liability	\$ 1,761,575	\$ 1,607,224	\$ 1,465,490

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates.

	1% Decrease in Trend Assumption	Current in Trend Assumption	1% Increase in Trend Assumption
Net OPEB Liability	\$ 1,404,193	\$ 1,607,224	\$ 1,853,874

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the County recognized OPEB expense of \$244,630. At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	1,322,182
Changes of assumptions	122,706	15,158
	<u>\$ 122,706</u>	<u>1,337,340</u>

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending September 30:	Amount
2022	\$ (127,506)
2023	(127,506)
2024	(127,506)
2025	(127,506)
2026	(127,501)
Thereafter	(577,109)
Total	<u>\$ (1,214,634)</u>

NOTE 13 - DEFINED BENEFIT PENSION PLAN.

Hinds County

General Information about the Pension Plan

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

Benefit 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

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

Contributions. At September 30, 2021, PERS members are required to contribute 9% of their annual covered salary, and the County is required to contribute 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 \$5,418,785, \$5,528,480, and \$5,226,675, 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 \$69,468,054 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2021, net pension liability was 0.47113 percent, which was based on a measurement date of June 30, 2021. This was a decrease of .006 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 \$4,669,621. At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,010,365	-
Net difference between projected and actual earnings on pension plan investments	-	22,660,858
Changes of assumptions	5,598,076	-
Changes in the proportion and differences between actual contributions and proportionate share of contributions	296,944	1,818,222
Contributions subsequent to the measurement date	1,358,534	-
	<u>\$ 8,263,919</u>	<u>24,479,080</u>

The \$1,358,534 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:

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

Year ending September 30:	Amount
2022	\$ (3,392,778)
2023	(3,908,209)
2024	(4,038,421)
2025	(6,234,287)
Total	\$ <u>(17,573,695)</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 log-normal 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:

HINDS COUNTY
NOTES TO THE 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	1.00	(1.00)
	<u>100.00 %</u>	

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

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

	<u>1% Decrease (6.55%)</u>	<u>Discount Rate (7.55%)</u>	<u>1% Increase (8.55%)</u>
Proportionate share of the net pension liability	\$ 98,383,051	69,468,054	45,639,797

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

NOTE 14 - CONTINGENCIES.

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

Litigation - The County is party to legal proceedings, many of which occur in the normal course of governmental operations. It is not possible at the present time to estimate ultimate outcome or liability, if any, of the County with respect to the various proceedings. However, the County's legal counsel believes

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

that ultimate liability resulting from these lawsuits will not have a material adverse effect on the financial condition of the County.

Consent Decree – The County is party to a consent decree with the United States Department of Justice related to the County's detention centers. There have been no penalties associated with the consent decree assessed in 2021.

NOTE 15 - EFFECT OF DEFERRED AMOUNTS ON NET POSITION.

The governmental activities' unrestricted net position deficit amount of \$(54,489,611) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$1,358,534 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 \$6,905,385 balance of the deferred outflow of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next 3 years. The \$24,479,080 balance of the deferred inflow of resources related to pension at September 30, 2021, will be recognized in pension expense over the next 4 years.

The governmental activities' unrestricted net position deficit amount of \$(54,489,611) includes the effect of deferred inflows/outflows of resources related to other postemployment benefits. The \$122,706 balance of deferred inflows of resources related to OPEB, at September 30, 2021, will be recognized as revenue and will increase the unrestricted net position over then next thirteen years. The \$1,337,340 balance of deferred outflows of resources related to OPEB at September 30, 2021, will be recognized in OPEB expense over the next thirteen years.

The governmental activities' net investment in capital assets net position of \$89,741,757 includes the effect of deferring the recognition of expenditures resulting for an advance refunding of County debt. The \$820,739 balance of deferred outflows of resources at September 30, 2021, will be recognized as an expense and will decrease the net investment in capital assets net position over the next 16 years.

NOTE 16 -RELATED ORGANIZATIONS.

The Hinds County Board of Supervisors is responsible for appointing a voting majority of the members of the Board of the Hinds County Livestock Commission, but the County's accountability for this organization does not extend beyond making the appointments. The County appropriated \$25,000 to this organization in fiscal year 2021.

NOTE 17 -JOINT VENTURES.

The county participates in the following joint venture:

The County is a participant with the City of Jackson in a joint venture authorized by Section 39-3-8, Miss. Code Ann. (1972) to operate the Jackson-Hinds Library System. The joint venture was created to provide a library system for city and county residents and is governed by 14 members, with each entity appointing seven members. By contractual agreement, the County's appropriation to the joint venture was \$1,475,884 in fiscal year 2021. Complete financial statements for the Jackson-Hinds Library System can be obtained from 400 North State Street, Jackson, Mississippi, 39201.

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

NOTE 18 -JOINTLY GOVERNED ORGANIZATIONS.

The County participates in the following jointly governed organizations:

Central Mississippi Planning and Development District, Inc. (CMPDD) operates in a district composed of the counties of Copiah, Hinds, Madison, Rankin, Simpson, Warren and Yazoo. The Hinds County Board of Supervisors appoints 3 of the 33 members of the Board of Directors. The County contributes a small percentage of CMPDD's total revenues. The county appropriated \$45,088 for support of CMPDD in fiscal year 2021.

Hinds Community College District (the College) operates in a district composed of the counties of Claiborne, Copiah, Hinds, Rankin and Warren. The Hinds County Board of Supervisors appoints 5 of the 15 members of the College's Board of Trustees. The County levies an annual tax pursuant to Sections 37-29-141 and 27-39-329, Miss. Code Ann. (1972) to support the College. The tax provided \$15,163,315 for maintenance and support of the College in fiscal year 2021.

Hinds County Human Resource Agency, Inc. (the Agency) operates in a district composed of Hinds County private citizens and local organizations. The Hinds County Board of Supervisors appoints 5 of the 15 members of the Agency. The County appropriated \$50,000 for the support of the Agency in fiscal year 2021.

NOTE 19- TAX ABATEMENTS

As of September 30, 2021, Hinds County provides tax exempt status to manufacturing companies, warehousing facilities, various other commercial enterprises, which include: a retail giant's headquarters, a cable company, a real estate development firm, two energy companies, an electrical supply company, a packing company, a food equipment company and a water bottling company subject to the requirements of GASB Statement No. 77. These companies are exempt from real property taxes and personal property taxes except for the levies involving the school; the mandatory mill and the community college tax levies. These exemptions are authorized under Sections 27-31-101 and 27-31-105 of the Miss. Code Ann. (1972). These exemptions encourage businesses to locate or expand operations in the County and to create jobs. The amount of taxes abated during the fiscal year 2021 totaled \$151,762.

NOTE 20 - SUBSEQUENT EVENTS.

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of Hinds County evaluated the activity of the County through June 25, 2024 (the date the financial statements were available to be issued) and determined that there the following subsequent events have occurred requiring disclosure in the notes to the financial statements.

HINDS COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2021

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
10/18/2021	1.80%	1,526,399	Financed purchase	Ad Valorem Taxes
12/1/2021	2.97%	3,002,600	Other Loan	Ad Valorem Taxes
4/26/2022	2.41%	24,381	Financed purchase	Grant proceeds
10/1/2022	3.82%	12,000,000	GO Note	Ad Valorem Taxes
12/1/2022	4.58%	2,833,942	GO Note	Ad Valorem Taxes
10/1/2023	2.79%	1,448,970	Other Loan	Ad Valorem Taxes
10/19/2023	5.80%	12,549,000	GO Note	Ad Valorem Taxes
1/17/2024	2.79%	4,900,000	Other Loan	Ad Valorem Taxes

In February 2022, the Mississippi Office of the State Auditor issued demand letters approximating \$250,000 to a Hinds County Election Commissioner and a Hinds County resident under the accusations of fraud, embezzlement and bribery related to a private grant awarded to the County. In November 2022, the Hinds County resident pleaded guilty to multiple counts related to this case and was ordered to pay \$173,000 in restitution. In January 2023, the Election Commissioner pleaded guilty to multiple counts related to the case. The demand letter in her case totaled approximately \$25,000.

HINDS COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

HINDS COUNTY
BUDGETARY COMPARISON SCHEDULE- BUDGET AND ACTUAL (NON-GAAP BASIS)
GENERAL FUND
For the Year Ended September 30, 2021
UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 50,929,684	55,783,026	55,497,848	(285,178)
Licenses, commissions and other revenue	3,517,156	3,564,666	3,930,596	365,930
Fines and forfeitures	1,292,000	1,292,000	2,605,279	1,313,279
Intergovernmental revenues	4,497,944	5,190,181	4,471,055	(719,126)
Charges for services	2,639,565	2,727,419	2,981,551	254,132
Interest income	132,120	132,120	150,418	18,298
Miscellaneous revenues	353,600	353,600	1,101,589	747,989
Total Revenues	<u>63,362,069</u>	<u>69,043,012</u>	<u>70,738,336</u>	<u>1,695,324</u>
EXPENDITURES				
Current:				
General government	36,277,736	36,892,982	31,812,424	5,080,558
Public safety	32,655,706	32,845,570	28,575,054	4,270,516
Public works	357,198	388,000	232,592	155,408
Health and welfare	643,519	646,594	636,229	10,365
Culture and recreation	46,516	84,543	75,483	9,060
Conservation of natural resources	211,191	211,191	169,920	41,271
Economic development and assistance	65,513	73,373	73,373	-
Debt service:				-
Principal	417,616	415,871	975,925	(560,054)
Interest	243,004	244,749	1,079,825	(835,076)
Total Expenditures	<u>70,917,999</u>	<u>71,802,873</u>	<u>63,630,825</u>	<u>8,172,048</u>
Excess of Revenues over (under) Expenditures	<u>(7,555,930)</u>	<u>(2,759,861)</u>	<u>7,107,511</u>	<u>(6,476,724)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	2,000	2,800	139,920	137,120
Compensation for loss of capital assets	20,000	20,000	-	(20,000)
Transfers in	2,217,000	2,217,000	75,807	(2,141,193)
Transfers out	(2,564,858)	(2,514,858)	(477,111)	2,037,747
Total Other Financing Sources and Uses	<u>(325,858)</u>	<u>(275,058)</u>	<u>(261,384)</u>	<u>13,674</u>
Net Change in Fund Balance	(7,881,788)	(3,034,919)	6,846,127	9,881,046
Fund Balances - Beginning	<u>8,886,032</u>	<u>7,709,137</u>	<u>13,967,730</u>	<u>6,258,593</u>
Fund Balances - Ending	<u>\$ 1,004,244</u>	<u>4,674,218</u>	<u>20,813,857</u>	<u>16,139,639</u>

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

HINDS COUNTY
BUDGETARY COMPARISON SCHEDULE- BUDGET AND ACTUAL (NON-GAAP BASIS)
ARPA 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	\$ -	-	22,516,101	22,516,101
Interest income	-	-	281	281
Total Revenues	-	-	22,516,382	22,516,382
EXPENDITURES				
Current:				
General government	-	-	55,140	(55,140)
Public safety	-	-	891	(891)
Total Expenditures	-	-	56,031	(56,031)
Excess of Revenues over (under) Expenditures	-	-	22,460,351	22,460,351
Net Change in Fund Balance	-	-	22,460,351	22,460,351
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	-	22,460,351	22,460,351

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

HINDS COUNTY
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS*
For the Year Ended September 30, 2021
UNAUDITED

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's proportion of the net pension liability (asset)	0.4711%	0.4771%	0.5000%	0.4900%	0.4800%	0.5000%	0.4900%
County's proportionate share of the net pension liability (asset)	\$ 69,468,054	92,360,823	87,622,275	81,404,920	79,164,429	89,332,494	76,053,503
County's covered payroll	\$ 31,325,392	31,819,131	32,372,128	30,784,879	30,208,623	31,598,220	30,228,877
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	221.76%	290.27%	270.67%	264.43%	262.06%	282.71%	251.59%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

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

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

HINDS COUNTY
SCHEDULE OF THE COUNTY'S CONTRIBUTIONS
LAST 10 FISCAL YEARS*
For the Year Ended September 30, 2021
UNAUDITED

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 5,418,785	5,528,480	5,226,675	4,978,695	4,833,590	4,919,376	4,922,141
Contributions in relation to the contractually required contribution	<u>5,418,785</u>	<u>5,528,480</u>	<u>5,226,675</u>	<u>4,978,695</u>	<u>4,833,590</u>	<u>4,919,376</u>	<u>4,922,141</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 31,142,446	31,772,865	32,415,155	31,610,759	30,683,111	31,239,897	31,251,689
Contributions as a percentage of covered payroll	17.40%	17.40%	16.12%	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.

HINDS COUNTY
SCHEDULE OF THE CHANGES IN THE COUNTY'S NET OPEB LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS*
For the Year Ended September 30, 2021
UNAUDITED

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 277,048	263,855	251,290	261,067
Interest	95,088	84,032	86,125	61,702
Differences between expected and actual experience	(1,204,710)	-	(336,229)	-
Changes of assumptions	132,931	-	(24,254)	-
Benefit Payments/Refunds	<u>(60,640)</u>	<u>(46,388)</u>	<u>(43,152)</u>	<u>(42,722)</u>
Net Change in Total OPEB Liability	(760,283)	301,499	(66,220)	280,047
Total OPEB Liability - beginning	<u>2,367,507</u>	<u>2,066,008</u>	<u>2,132,228</u>	<u>1,852,181</u>
Total OPEB Liability - Ending (a)	<u><u>\$ 1,607,224</u></u>	<u><u>2,367,507</u></u>	<u><u>2,066,008</u></u>	<u><u>2,132,228</u></u>
Covered-employee payroll	\$ 29,480,227	26,310,590	25,117,508	29,134,042
Net OPEB Liability as a percentage of covered-employee payroll	5.5%	9.0%	8.2%	7.3%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement 75 was implemented in FYE 6/30/2018, 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.

HINDS COUNTY
SCHEDULE OF COUNTY CONTRIBUTIONS- OPEB
LAST 10 FISCAL YEARS*
For the Year Ended September 30, 2021
UNAUDITED

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 468,508	454,306	406,189	387,383
Contributions in relation to the actuarially determined contribution	<u>60,640</u>	<u>46,388</u>	<u>43,152</u>	<u>42,722</u>
Contribution deficiency (excess)	<u>\$ 407,868</u>	<u>407,918</u>	<u>363,037</u>	<u>344,661</u>
Covered-employee payroll	\$ 29,480,227	26,310,590	25,117,508	29,134,042
Contributions as a percentage of covered-employee payroll	0.2%	0.2%	0.2%	0.1%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement 75 was implemented in FYE 6/30/2018, 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.

HINDS COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2021
UNAUDITED

Budgetary Comparison Schedule

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, Tax Assessor and Tax Collector for his or her respective department, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Supervisors that budgetary estimates will not be met, it may make revisions to the budget.

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

B. Basis of Presentation.

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

	<u>Governmental Fund Types</u>	
	<u>General Fund</u>	<u>ARPA Fund</u>
Budget (Cash basis)	\$ 6,846,127	22,460,351
Increase (Decrease)		
Net adjustments for revenue accruals	(3,717,018)	(22,460,351)
Net adjustments for expenditure accruals	<u>(1,314,129)</u>	<u>-</u>
GAAP Basis	<u>\$ 1,814,980</u>	<u>-</u>

HINDS COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2021
UNAUDITED

D. Unbudgeted Funds.

The following funds were not budgeted for the year ended September 30, 2021:

Special Revenue Funds:
ARPA Fund

The unbudgeted funds are in violation of state law. However, the County has no liability associated with the violation.

Pension Schedules

A. Changes of assumptions.

2015

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

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

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

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

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

2016

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

2017

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

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

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates

HINDS COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2021
UNAUDITED

were also adjusted to more closely reflect actual experience.

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

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.

HINDS COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2021
UNAUDITED

For females, 121% of female rates at all ages.
Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

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

For males, 97% of male rates at all ages.
For females, 110% of female rates at all ages.
Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.
The price inflation assumption was reduced from 2.75% to 2.40%.
The wage inflation assumption was reduced from 3.00% to 2.65%.
The investment rate of return assumption was changed from 7.75% to 7.55%.
The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.
Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.
The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.
The percentage of active member deaths assumed to be in in the line of duty was decreased from 6% to 4%.

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,

HINDS COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2021
UNAUDITED

Investment rate of return	including inflation 7.75 percent, net of pension plan investment expense, including inflation
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OPEB Schedules

C. Changes of assumptions

2021-2022

The discount rate is 2.43% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of September 30, 2021 compared to the prior discount rate of 3.68%.

Medical trend was set to follow the Getzen Model after a 3 year transition period starting at 6.35% decreasing uniformly to 5.50% over 3 years.

The mortality rate has been updated to use the PubG Headcount-weighted mortality tables with improvement scale MP2021.

The excise tax has been repealed and no longer included in the valuation liability.

2019-2020

The discount rate is 3.68% based on the S&P Municipal Bond 20 Year High Grade Rate Index as of September 30, 2019 compared to the prior discount rate of 2.89%.

Medical trend was set to follow the Getzen Model after a 3 year transition period starting at 7.5% decreasing uniformly to 6.75% over 3 years.

The mortality rate has been updated to use the improvement scale MP2018.

The claims aging factors have been updated to follow the Dale Yamamota aging factors.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

HINDS COUNTY

SUPPLEMENTARY INFORMATION

HINDS COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended September 30, 2021

<i>Federal Grantor /Pass-Through Grantor /Program or Cluster Title</i>	<i>Federal Assistance Listing Number</i>	<i>Pass-Through Entity Identifying Number</i>	<i>Federal Expenditures(\$)</i>
<i>U.S Department of Agriculture</i>			
Passed-through the Mississippi Department of Education			
National school lunch program	10.555	5MS300326	\$ 55,906
Total child nutrition cluster			55,906
Total U.S. Department of Agriculture			55,906
<i>U.S. Department of Justice</i>			
Coronavirus emergency supplemental funding program (Direct Award)	16.034	N/A	10,929
Passed-through the City of Jackson, Mississippi			
Edward Byrne memorial justice assistance grant program	16.738	2018-DJ-BX-0739	9,895
Equitable sharing program (Direct Award)	16.922	N/A	50,226
Total U.S Department of Justice			71,050
<i>U.S. Department of Transportation</i>			
Passed-through the Mississippi Department of Transportation			
Highway planning and construction	20.205	STP-0025-00(077) LPA/ 107056-700998	239,059
Total Highway Planning and Construction cluster			239,059
Passed-through the Mississippi Department of Public Safety			
State and Community Highway Safety	20.600	OP-2021-OP-12-51	4,922
National Priority Safety Programs	20.616	MSX-2019-MD-12-51	120,128
Total Highway Safety Cluster			125,050
Total U.S. Department of Transportation			364,109
<i>U.S. Department of the Treasury</i>			
Passed-through the Mississippi Supreme Court			
Coronavirus Relief Fund	21.019	N/A	89,010
Emergency Rental Assistance (Direct Award) *	21.023	N/A	2,307,457
Total U.S. Department of the Treasury			2,396,467
<i>U.S. Department of Health and Human Services</i>			
Passed-through the Mississippi Department of Human Services			
Special programs for the aging- title III, Part B grants for supportive services and senior centers	93.044	1030-21	32,574
Total Aging Cluster			32,574
Provider Relief Fund and American Rescue Plan (ARP) Rural Distribution	93.498	N/A	56,031
Total U.S. Department of Health and Human Services			88,605
<i>Executive Office of the President</i>			
Passed-through the Gulf Coast HIDTA			
High intensity drug trafficking area program	95.001	G19GC0003A	27,123
Total Executive Office of the President			27,123
<i>U.S. Department of Homeland Security</i>			
Passed-through the Mississippi Emergency Management Agency			
FEMA disaster relief	97.036	4598DR	29,830
Emergency Management Performance grants	97.042	EMW-2015-EP-0031-S01	258,880
Homeland Security Grant Program	97.067	N/A	31,533
Total U.S. Department of Homeland Security			320,243
Total Expenditures of Federal Awards			\$ 3,323,503

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

HINDS 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 Hinds 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 Hinds County, it is not intended to and does not present the financial position, changes in net position or cash flows of Hinds County, Mississippi.

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 credit made in the normal course of business to amounts reported as expenditures in prior years.

Note C- Indirect Cost Rate

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

Note D- Outstanding Loans

At September 30, 2021, there were \$1,898,275 of loans outstanding in the Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii, ALN 14.228. There were no continuing compliance requirements related to this loan for the year ended September 30, 2021.

*denotes major federal award program

HINDS COUNTY

OTHER INFORMATION

HINDS COUNTY, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR COUNTY OFFICIALS
For the Year Ended September 30, 2021

NAME	DEPARTMENT OR POSITION	AMOUNT OF BOND	BONDING COMPANY
Robert Graham	Supervisor District 1	\$ 100,000	Western Surety Company
David L. Archie	Supervisor District 2	\$ 100,000	Western Surety Company
Credell Calhoun	Supervisor District 3	\$ 100,000	Travelers Casualty & Surety Company
Vern O. Gavin	Supervisor District 4	\$ 100,000	Western Surety Company
Bobby McGowan	Supervisor District 5	\$ 100,000	Western Surety Company
Eddie Jean Carr	Chancery Clerk	\$ 100,000	Western Surety company
Jennifer Ryley Collins	County Adminiatrator	\$ 100,000	Western Surety Company
Kenneth Wayne Jones	County Administrator	\$ 100,000	Western Surety Company
Zack Wallace	Circuit Clerk	\$ 100,000	FCCI
Devin Black	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Kelly Cauthen	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Melinda Green	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Rona Haley	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Sharon Haley	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
LaKisha Jones- Clay	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Kinnui Kidd	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Cathy Luckett	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Dawn Lyons	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Lakeeta McGee	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
LeGecha Mckinley	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Shanekia Mosley	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Raymond Myers	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Robin Phillips	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Wanda Van Etten	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Delwin Wells	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Lotetta Wells	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Navarro Williams	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Lee Myers	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Marcus R. Armstrong	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Endia Kelly	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Markita J. Shell	Deputy Circuit Clerk	\$ 150,000	Fidelity and Deposit Company of Maryland
Lee Vance	Sheriff	\$ 100,000	Western Surety Company
Marshand Crisler	Interim Sheriff	\$ 100,000	Western Surety Company
Charles E. Stokes	Tax Assessor	\$ 50,000	Western Surety Company
April Angrum	Deputy Tax Assessor	\$ 15,000	Western Surety Company
Cody Lee Ashley	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Daryl Berry	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Angela Blaylock	Deputy Tax Assessor	\$ 10,000	One Republic Surety Bond
Laura Burse	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Richard Caston	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Stephan Draper	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Stephen Draper	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Riley K Ellis	Deputy Tax Assessor	\$ 10,000	One Republic Surety Bond
Darryl Ervin	Deputy Tax Assessor	\$ 10,000	Western Surety Company
William C Erving	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Tyler Gilbert	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Tamara Graves	Deputy Tax Assessor	\$ 10,000	Western Surety Company
LaTamara U. Green/LaTamara G E	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Clifton Hackler	Deputy Tax Assessor	\$ 10,000	Western Surety Company

HINDS COUNTY, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR COUNTY OFFICIALS
For the Year Ended September 30, 2021

NAME	DEPARTMENT OR POSITION	AMOUNT OF BOND	BONDING COMPANY
Porschea Harper	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Debbie Hennington	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Jonetha Lewis	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Alexandra Lovell	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Lenell McGee Jr.	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Cedrek Mozee	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Derek Mozee	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Sandra Phillips	Deputy Tax Assessor	\$ 15,000	Western Surety Company
Warren Pinter	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Justin A Stepp	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Latonya Strugis	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Angela Thomason	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Joseph Thompson	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Lavonta Thompson	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Lee Ward	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Nicholas Ward	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Melaine R Warner	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Justin L Washington	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Briana Wilson	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Floyd Wilson	Deputy Tax Assessor	\$ 10,000	Western Surety Company
Eddie J. Fair	Tax Collector	\$ 100,000	Western Surety Company
Carolyn H. Allen	Deputy Tax Collector	\$ 50,000	Western Surety Company
Sharonda Nichols Allen	Deputy Tax Collector	\$ 50,000	Western Surety Company
LaKeisha Baker	Deputy Tax Collector	\$ 50,000	Western Surety Company
Latoya Bell	Deputy Tax Collector	\$ 50,000	Western Surety Company
Marcia Anthony Bell	Deputy Tax Collector	\$ 50,000	Western Surety Company
Doris Boston	Deputy Tax Collector	\$ 50,000	Western Surety Company
LaShunn Campbell	Deputy Tax Collector	\$ 50,000	Western Surety Company
Larry Camper	Deputy Tax Collector	\$ 50,000	Western Surety Company
Kathy Chestnut	Deputy Tax Collector	\$ 50,000	Western Surety Company
Sophie Coats	Deputy Tax Collector	\$ 50,000	Western Surety Company
Ricardo Comegy	Deputy Tax Collector	\$ 50,000	Western Surety Company
Kayla Day	Deputy Tax Collector	\$ 50,000	Western Surety Company
Quintina Renea Calender Dixon	Deputy Tax Collector	\$ 50,000	Western Surety Company
Morgan Ellis	Deputy Tax Collector	\$ 50,000	Western Surety Company
Peggy Ervin	Deputy Tax Collector	\$ 50,000	Western Surety Company
Kristie Fields	Deputy Tax Collector	\$ 50,000	Western Surety Company
Sherion Fleming	Deputy Tax Collector	\$ 50,000	Western Surety Company
Joseph Francis	Deputy Tax Collector	\$ 50,000	Western Surety Company
Stephanie Green	Deputy Tax Collector	\$ 50,000	Western Surety Company
Matthew Ryan Henderson	Deputy Tax Collector	\$ 50,000	Western Surety Company
Ron Hinson	Deputy Tax Collector	\$ 50,000	Western Surety Company
Rebecca Ann Hollis	Deputy Tax Collector	\$ 50,000	Western Surety Company
Tosha Jordan	Deputy Tax Collector	\$ 50,000	Western Surety Company
Kyla Kendrick	Deputy Tax Collector	\$ 50,000	Western Surety Company
Annie Kinnard	Deputy Tax Collector	\$ 50,000	Western Surety Company
Regina Laury	Deputy Tax Collector	\$ 50,000	Western Surety Company
Sandra Mattix	Deputy Tax Collector	\$ 50,000	Western Surety Company
Sylvia McClellan	Deputy Tax Collector	\$ 50,000	Western Surety Company

HINDS COUNTY, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR COUNTY OFFICIALS
For the Year Ended September 30, 2021

NAME	DEPARTMENT OR POSITION	AMOUNT OF BOND	BONDING COMPANY
Angela McGregory	Deputy Tax Collector	\$ 50,000	Western Surety Company
Gracie R McMillian	Deputy Tax Collector	\$ 50,000	Western Surety Company
Karen McNeil	Deputy Tax Collector	\$ 50,000	Western Surety Company
Etta McPhaul	Deputy Tax Collector	\$ 50,000	Western Surety Company
Ryan Mitchell	Deputy Tax Collector	\$ 50,000	Western Surety Company
Jasmine Myers	Deputy Tax Collector	\$ 50,000	Western Surety Company
Alexis Nelson	Deputy Tax Collector	\$ 50,000	Western Surety Company
Paulette Newman	Deputy Tax Collector	\$ 50,000	Western Surety Company
Duane Adam Quinn	Deputy Tax Collector	\$ 50,000	Western Surety Company
Judy Smith	Deputy Tax Collector	\$ 50,000	Western Surety Company
Tevin Singleton	Deputy Tax Collector	\$ 50,000	Western Surety Company
Marie Lee Strong	Deputy Tax Collector	\$ 50,000	Western Surety Company
Latoria Taylor	Deputy Tax Collector	\$ 50,000	Western Surety Company
Cheryl Warren	Deputy Tax Collector	\$ 50,000	Western Surety Company
Shirron Wash	Deputy Tax Collector	\$ 50,000	Western Surety Company
Lakonita Washington	Deputy Tax Collector	\$ 50,000	Western Surety Company
Shavondra Washington	Deputy Tax Collector	\$ 50,000	Western Surety Company
Coretta White	Deputy Tax Collector	\$ 50,000	Western Surety Company
Brittany Williams	Deputy Tax Collector	\$ 50,000	Western Surety Company
Terrell Wilson	Deputy Tax Collector	\$ 50,000	Western Surety Company
Darwin Dewayne Wooten	Deputy Tax Collector	\$ 50,000	Western Surety Company
Darwin Dewsyne Wooten	Deputy Tax Collector	\$ 50,000	Western Surety Company
Michelle Wright	Deputy Tax Collector	\$ 50,000	Western Surety Company
Jerry Moore	Constable, District 1	\$ 50,000	Travlers Casualty & Surety Company
John Brown	Constable, District 2	\$ 50,000	Western Surety Company
Lawrence Funchess	Constable, District 3	\$ 50,000	Travlers Casualty & Surety Company
Leon Seals	Constable, District 4	\$ 50,000	Western Surety Company
Demario F Benson Sr.	Constable, District 5	\$ 50,000	Western Surety Company
Donald Palmer	Justice Court Judge	\$ 50,000	Travlers Casualty & Surety Company
Tabitha Britton Porter	Justice Court Judge	\$ 50,000	Western Surety Company
Frank Sutton	Justice Court Judge	\$ 50,000	Western Surety Company
Kenny Lewis	Justice Court Judge	\$ 50,000	Western Surety Company
Pearlie Brown Owens	Justice Court Judge	\$ 50,000	Western Surety Company
Patricia Woods	Justice Court Clerk	\$ 50,000	Travlers Casualty & Surety Company
Kenneth Lewis	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Robert Amos	Deputy Justice Court Clerk	\$ 50,000	Travlers Casualty & Surety Company
Jade Ball	Deputy Justice Court Clerk	\$ 50,000	Travlers Casualty & Surety Company
Dolise Clowers	Deputy Justice Court Clerk	\$ 50,000	Travlers Casualty & Surety Company
Dana Vaughan Cousin	Deputy Justice Court Clerk	\$ 50,000	Travlers Casualty & Surety Company
Jennifer A Ervin	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Angelica Gater	Deputy Justice Court Clerk	\$ 50,000	Travlers Casualty & Surety Company
Shirley Harper	Deputy Justice Court Clerk	\$ 50,000	Travlers Casualty & Surety Company
Anjua Hudson	Deputy Justice Court Clerk	\$ 50,000	Travlers Casualty & Surety Company
Tunisia Kennedy	Deputy Justice Court Clerk	\$ 50,000	Travlers Casualty & Surety Company
LaQunta Phillips	Deputy Justice Court Clerk	\$ 50,000	Western Surety Company
Feliscia Robinson	Deputy Justice Court Clerk	\$ 50,000	Travlers Casualty & Surety Company
Cynthia Smith	Deputy Justice Court Clerk	\$ 50,000	Travlers Casualty & Surety Company
Joyce Williams	Deputy Justice Court Clerk	\$ 50,000	Travlers Casualty & Surety Company
Lora Mcinnis	Deputy Justice Court Clerk	\$ 50,000	Western Surety Group
Charles Sims	Road Manager	\$ 50,000	Western Surety Company

HINDS COUNTY, MISSISSIPPI
SCHEDULE OF SURETY BONDS FOR COUNTY OFFICIALS
For the Year Ended September 30, 2021

NAME	DEPARTMENT OR POSITION	AMOUNT OF BOND	BONDING COMPANY
James Ingram	Inventory Control Clerk	\$ 75,000	Travlers Casualty & Surety Company
Michael Johnson	Inventory Control Clerk	\$ 75,000	Travlers Casualty & Surety Company
Cornelius Jackson	Inventory Control Clerk- Interim	\$ 75,000	Western Surety Company
Arthur Matlock	Purchase Clerk	\$ 75,000	Travlers Casualty & Surety Company
Chantey Broome	Purchase Clerk	\$ 100,000	Western Surety Company
Driscilla Anderson	Assistant Purchase Clerk	\$ 50,000	Western Surety Company
Brenda Butler	Assistant Purchase Clerk	\$ 50,000	Travlers Casualty & Surety Company
Lure Berry	Receiving Clerk	\$ 75,000	Travlers Casualty & Surety Company
Shannon Amos	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Frances Ashley	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Paula Cable	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Angela Cook	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Cara DeLong	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Shondra Dotson	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Karen Evans	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Nikia Felton	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Tracy Funches	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Anthony Gaines	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Samantha Grant	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Shirley Harrison	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Drusilla Hicks	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Shantay Hines	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Carmelita Johnson	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Lakeesha Johnson	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Lakisha Clay Jones	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Carolyn Leflore	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Lucille S Love	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Vicki Lowers	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Brandy W. Martin	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Ida Mason	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Valerie Moton	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Don Neal	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Latonya Sturgis	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Kathy Lynn Sykes	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Angela Thomason	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Naomi Thompson	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Anitra Townsend	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Tabetha Ward	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Shirron Wash	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Persephone Washington	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Coretta White	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Vickie Whitley	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Joyce Williams	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Gloria Wilson	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Michelle Wright	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Pamela Young/ Taylor	Assistant Receiving Clerk	\$ 50,000	Travlers Casualty & Surety Company
Carla Marsh	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
D'Andrea LaShea Gilmore	Assistant Receiving Clerk	\$ 50,000	Western Surety Company
Nacola Rae James	Assistant Receiving Clerk	\$ 50,000	Western Surety Company

HINDS 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
Hinds County, Mississippi

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Hinds County, Mississippi (the County), as of and for the year ended September 30, 2021 and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated June 25, 2024. Our report includes a reference to other auditors who audited the financial statements of Hinds County Economic Development Authority and Hinds County Mental Health Commission, component units, as described in our report on Hinds County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting and on compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Hinds 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

2021-001, 2021-002, 2021-004, 2021-005, 2021-006, and 2021-007 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as 2021-003 to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Hinds County, Mississippi's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2021-001, 2021-004, 2021-006, and 2021-007.

We noted certain matters that we reported to the management of Hinds County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated June 25, 2024 included within this document.

Hinds County's Responses to Findings

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

Purpose of this Report

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

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi
June 25, 2024

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

Members of the Board of Supervisors
Hinds County, Mississippi

Report on Compliance for the Major Federal Program

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

Opinion on the Major Federal Program

In our opinion, Hinds 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 Hinds 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 Hinds 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 the 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.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC

Certified Public Accountants

Vicksburg, Mississippi

June 25, 2024

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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
Hinds County, Mississippi

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

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

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

Purchase Clerk.

1. The Purchase Clerk shall be responsible for the maintenance of the central purchasing system of the County.

Repeat Finding Yes

Criteria	The County is responsible for complying with the requirements of the Public Purchasing Laws; Title 31, Chapter 7.
Condition	<p>The County failed to comply with Public Purchasing Laws: Title 31, Chapter 7. A well-designed purchasing system would comply with the provisions of Title 31, Chapter 7 and would include proper bid requirements as well as the use of purchase requisitions, purchase orders, and receiving reports. During our test work, we noted the following instances of non-compliance:</p> <ul style="list-style-type: none"> • Three (3) instances where no competitive bid or second quote was obtained for an expenditure of greater than \$5,000 • Two (2) instances where no agreement or contract was provided for a service • Six (6) instances where no documentation was provided at all to support the disbursements • Seven (7) instances where a general service agreement was executed but no competitive bid or second quote was obtained for an expenditure of greater than \$5,000 • Three (3) instances where a general service agreement was executed but no notice was provided to seek competitive bids for an expenditure of greater than \$50,000 • One (1) instance where a general service agreement was executed in lieu of purchasing documents for an expenditure of less than \$5,000 but greater than \$1,500 • Two (2) instances where only a quote or estimate was provided but no invoice was included to support the disbursement • Eight (8) instances where the receiving report was signed by an unauthorized individual • Two (2) instances where the invoice is dated prior to the purchase order • One (1) instance where the purchase order was signed by an unauthorized individual • One (1) instance where there was no receiving report
Cause	The County has failed to establish and maintain an adequate internal control system to ensure compliance with the Public Purchasing Laws: Title 31, Chapter 7.
Effect	The County is not in compliance with Public Purchasing Laws: Title 31, Chapter 7, and this could result in the loss or misappropriation of public funds.
Recommendation	The County should establish and maintain an adequate internal control system which would ensure that the County is in compliance with the Public Purchasing Laws: Title 31, Chapter 7.
Views of Responsible Official(s)	The Purchasing Department will comply with this recommendation.

Inventory Control Clerk

2. The County should establish and maintain effective internal controls over financial reporting of capital assets.

Repeat Finding Yes

Criteria *Section 31-7-107, Mississippi Code Annotated (1972)*, requires the Inventory Control Clerk to maintain an inventory system. An effective system of internal controls over capital assets should include proper recording of additions and deletions.

Condition The County's current record keeping system and accounting processes and procedures for capital assets do not allow for timely and accurate reconciliation of additions and deletions of capital assets in the proper period. Errors were identified in the capital asset schedules that were not detected by management.

Cause There are no procedures in place to reconcile construction in progress to ensure current year additions were not previously included in construction in progress. Additionally, the process and timeline for the preparation of capital asset schedules does not provide for timely review, approval, and identification of possible errors.

Effect The financial statements could be materially misstated, and the errors would not be detected by management. Further, multiple revisions to the capital asset schedules were required, which caused delays in the close-out of the capital asset accounts.

Recommendation The County should regularly track, record, and reconcile costs intended to be capitalized. We further recommend capital asset records should be updated timely to facilitate a review and approval process.

**Views of Responsible
Official(s)**

The Inventory Department will comply with the recommendations.

In our opinion, except for the noncompliance referred to in the preceding paragraph, Hinds 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 Hinds County, Mississippi's compliance with the aforementioned requirements, and is not intended to be and should not be relied upon for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC

Certified Public Accountants

Vicksburg, Mississippi

June 25, 2024.

HINDS 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.

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

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
6/11/2021	2009 Vogeles Paver	\$ 11,251	Lyle Machinery	Only Company that can fix (paver broken down)
5/3/2021	Service Agreement	70,000	People's Place Enterprises	Debris Pickup

HINDS COUNTY

Schedule 3Schedule of Purchases Made Noncompetitively from a Sole Source
For the Year Ended September 30, 2021

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
6/15/2021	Front Access Shower Doors- Jail	11,594	Whitt, Davis, McCaskell

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LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Hinds County, Mississippi

In planning and performing our audit of the financial statements of Hinds County, Mississippi for the year ended September 30, 2021, we considered Hinds 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 Hinds County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated June 25, 2024, on the financial statements of Hinds 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 Yes-2020-3.

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.”

Condition	This matter has been reported in the prior 15 audit reports. During the course of our testing on this audit, we noted that only three (3) of the five (5) Supervisors had filed the inspection reports with the Clerk of the Board.
Cause	Annual inspections of the roads and bridges in the County have not been completed and/or attested to having been done.
Effect	Failure to complete annual inspections of roads and bridges and to file an affidavit of said inspection can lead to failure to identify and to complete necessary improvements in a timely manner.
Recommendation	The Board of Supervisors should ensure that they complete the requisite inspections of the roads and bridges in their jurisdiction and file an affidavit with the Clerk of the Board for inclusion in the minutes.
Response	We will comply with the recommendation.

2. List of employees authorized to issue requisitions and receiving reports.

Repeat Finding	No
Criteria	<i>Sections 31-7-103 and 31-7-109, Mississippi Code Annotated (1972),</i> state that persons must be specifically authorized to sign purchase requisitions and receiving reports.
Condition	During the course of our test work, we were unable to locate a listing approved by the Board of Supervisors specifying who was authorized to sign purchase requisitions and receiving reports.
Cause	The Board of Supervisors did not approve a list that specifies those individuals with authority to sign purchase requisitions and receiving reports for each department.
Effect	Failure to specify individuals with authority to sign purchase requisitions and receiving reports could result in the loss or misappropriation of public funds.
Recommendation	The Board should annually approve a list of individuals in each department who are authorized to sign purchase requisitions and receiving reports and spread this list on the minutes.
Response	We will comply with this recommendation.

3.	<u>Public Officials and Employees should ensure compliance with state law over surety bonding requirements.</u>
Repeat Finding	Yes (as to County Administrator)-2020-4.
Criteria	<i>Section 25-1-15, Mississippi Code Annotated (1972), states, "A new bond in an amount not less than that required by law shall be secured upon employment and coverage shall continue by the securing of a new bond every four (4) years concurrent with the normal election cycle of the Governor or with the normal election cycle of the local government applicable to the employee."</i>
Condition	<p>During the course of our testing we noted the following instances of non-compliance:</p> <ul style="list-style-type: none"> • The interim county administrator was not bonded • We were unable to locate a bond for one (1) deputy tax collector • One (1) assistant purchase clerk was bonded with an indefinite bond • Twenty-two (22) deputy circuit clerks were bonded in excess of the statutory limitation
Cause	Public Officials and the Board of Supervisors have insufficient control over the requirements for bonding officials and employees.
Effect	Failure to have a bond in place for a specific term could limit the amount available for recovery if a loss occurred over multiple terms, as well as the current terms.
Recommendation	We recommend that the Board of Supervisors implement procedures to ensure that County officials and employees are bonded as required by State law.
Response	We will comply with this recommendation.
4.	<u>Public Officials Should Ensure Compliance with State Law over the Publication of the Original Budget for the Fiscal Year.</u>
Repeat Finding	No
Criteria	<i>Section 19-11-7, Mississippi Code Annotated (1972), states "(1) The county administrator of each county of the State of Mississippi shall prepare and submit to the board of supervisors....The budget, including the sheriff's budget, containing such statement of revenues and expenses shall be published at least one (1) time during August or September but not later than September 30 of the year in a newspaper published in the county, or if no newspaper is published therein, then in a newspaper having a general circulation therein."</i>
Condition	During the course of the audit, we were unable to obtain evidence that the original budget for the fiscal year was published in the newspaper.
Cause	Public officials failed to ensure that proper publication was performed within the timeframe prescribed by law.

Effect	Failure to publish the County's original budget for the fiscal year is not in compliance with State statutes and could diminish fiscal transparency for the County.
Recommendation	The Board of Supervisors should ensure that compliance with publication laws is achieved through proper publication of the original budget in accordance with the timelines established by State law.
Response	We will comply with this recommendation.
5.	<u>Public Officials should strengthen controls to ensure compliance with requirements for accounting for restricted funds.</u>
Repeat Finding	Yes-2020-1.
Criteria	<i>Section 23-15-5(2)(a)(i), Mississippi Code Annotated (1972), states that, "Monies in the special [Election Support] fund shall be distributed annually to the counties, upon appropriation of the Legislature...and held in a separate fund solely for the purpose of acquiring, upgrading, maintaining or repairing voting equipment, systems and supplies, hiring temporary technical support, conducting elections using such voting equipment or systems, employing such personnel to conduct an election, and training election officials..."</i>
Condition	During the course of the audit, we noted that the Election Support Funds were placed in the General Fund.
Cause	Public officials failed to ensure that the Election Support Funds were placed in a separate fund.
Effect	Failure to correctly record and place restricted funds could result in misappropriation of restricted funds.
Recommendation	The Board of Supervisors should ensure that a separate fund is used to account for monies received from the Election Support Fund.
Response	This recommendation has already been corrected.
6.	<u>Public officials should levy one mill in accordance with State law.</u>
Repeat Finding	Yes, 2020-2.
Criteria	<i>Section 27-39-329(2)(b), Mississippi Code Annotated (1972), stated that, "Beginning with taxes levied for the Fiscal Year 1983, each county shall levy each year an ad valorem tax of one (1) mill upon all taxable property of the county which may be used for any purpose for which counties are authorized by law to levy an ad valorem tax, but the avails of such tax levy shall not be expended unless and until the State Tax Commission has certified that the county has a method of maintaining assessment records in accordance with commission rules and regulations, has an ownership mapping system as provided in Section 27-35-53 in conformity with commission specifications, maintains certified appraisers as provided in Section 27-3-52, and complies with requests by the commission for sales data under Section 27-3-51."</i>

Condition	During the course of our audit, we noted that the County levied 0.88 mills for the fiscal year ending September 30, 2021, which is less than the amount required by statute.
Cause	The County is not levying and collecting the proper amount of tax revenue in the Special Ad Valorem Reappraisal Fund.
Effect	Failure to levy and collect the full mill results in an insufficient balance to meet the requirements of <i>Section 27-35-113(5)(b), Mississippi Code Annotated 1972</i> .
Recommendation	We recommend that the Board of Supervisors levy the full one mill for the Special Ad Valorem Reappraisal Fund.
Response	This recommendation has already been corrected.

7. Public officials should ensure all funds are budgeted in accordance with State law.

Repeat Finding No

Criteria *Section 19-11-7(1), Mississippi Code Annotated (1972)*, states that, “[With regard to any county which is required to operate on a countywide system of road administration as described in Section 19-2-3, this section shall read as follows:]

The county administrator of each county of the State of Mississippi shall prepare and submit to the board of supervisors at its August meeting of each year a complete budget of revenues, expenses and a working cash balance estimated for the next fiscal year, which shall be based on the aggregate funds estimated to be available for the ensuing fiscal year for each fund, from which such estimated expenses will be paid, exclusive of school maintenance funds, which shall be shown separately and exclusive of the budget of the sheriff’s department which shall be prepared by the sheriff. Such statement of revenues shall show every source of revenue along with the amount derived from each source. The budget, including the sheriff’s budget, containing such statement of revenues and expenses shall be published at least one (1) time during August or September but not later than September 30 of the year in a newspaper published in the county, or if no newspaper is published therein, then in a newspaper having a general circulation therein....”

Condition	During the course of our audit, we noted that the County spent but did not budget the ARPA funds received.
Cause	The County did not budget the ARPA funds received.
Effect	Failure to properly budget all sources of revenue results in noncompliance with State law.
Recommendation	We recommend that the Board of Supervisors ensure that all funds are properly budgeted.
Response	We will comply.

Permit and Zoning Director

8. Public Officials should Ensure Sufficient Separation of Duties in the Collection, Deposit, Recording, Settling, and Reconciling Functions.

Repeat Finding	No
Criteria	An effective system of internal control should include an adequate segregation of duties in the collection, deposit, recording, settling, and reconciling functions.
Condition	During the course of our audit, we noted that the same individual reviews the collections for the day, prepares the deposit, takes the deposit to the bank, settles the account, and reconciles the account.
Cause	There is insufficient staff in the permit and zoning department to properly establish and implement a system of internal control with adequate separation of duties concerning the collection, deposit, recording, settling, and reconciling functions.
Effect	Failure to properly separate the accounting functions could result in the misappropriation of public funds.
Recommendation	The Board and Director should ensure that there is an adequate separation of duties in the collection, deposit, recording, settling, and reconciling functions within the office.
Response	I am aware of issues. I have reported the staffing shortage to my superiors. The Permit and Zoning Department is doing everything possible to comply.

9. Public Officials Should Ensure that Bank Reconciliations are Performed

Repeat Finding	No
Criteria	An effective system of internal controls requires that bank reconciliations be prepared accurately and timely and any identified unreconciled differences be resolved in a timely manner.
Condition	During the course of our audit, we noted that bank reconciliations were not performed for the Permit and Zoning Account.
Cause	The Board and the Director have not implemented proper controls to ensure that bank reconciliations are performed.
Effect	Failure to complete an accurate and timely bank reconciliation results in a weakness in the system of internal controls over cash.
Recommendation	The Board and the Director should establish and maintain an effective internal control system over cash and ensure that bank reconciliations are prepared timely and accurately on a monthly basis and maintain records of such.

Response The Permit and Zoning Department will comply.

Payroll Clerk/Human Resources

10. Public Officials Should Ensure Compliance with State Law over Rehiring PERS Retirees.

Repeat Finding No

Criteria *Section 25-11-127, Mississippi Code Annotated (1972), states, "No person who is being paid a retirement allowance or a pension after retirement under this article shall be employed or paid for any service by the State of Mississippi, including services as an employee, contract worker, contractual employee or independent contractor, until the retired person has been retired for not less than ninety (90) consecutive days from his or her effective date of retirement. After the person has been retired for not less than ninety (90) consecutive days from his or her effective date of retirement or such later date as established by the board, he or she may be reemployed while being paid a retirement allowance under the terms and conditions provided in this section....*

4) The provisions of this section shall not be construed to prohibit any retiree, regardless of age, from being employed and drawing a retirement allowance either:

(a) For a period of time not to exceed one-half ($\frac{1}{2}$) of the normal working days for the position in any fiscal year during which the retiree will receive no more than one-half ($\frac{1}{2}$) of the salary in effect for the position at the time of employment, or

(b) For a period of time in any fiscal year sufficient in length to permit a retiree to earn not in excess of twenty-five percent (25%) of retiree's average compensation.

To determine the normal working days for a position under paragraph (a) of this subsection, the employer shall determine the required number of working days for the position on a full-time basis and the equivalent number of hours representing the full-time position. The retiree then may work up to one-half ($\frac{1}{2}$) of the required number of working days or up to one-half ($\frac{1}{2}$) of the equivalent number of hours and receive up to one-half ($\frac{1}{2}$) of the salary for the position. In the case of employment with multiple employers, the limitation shall equal one-half ($\frac{1}{2}$) of the number of days or hours for a single full-time position.

Notice shall be given in writing to the executive director, setting forth the facts upon which the employment is being made, and the notice shall be given within five (5) days from the date of employment and also from the date of termination of the employment. *[Note: This notice is provided on PERS Form 4B and must be executed annually and sent to PERS]*

(6) (a) A member may retire and continue in municipal or county elective office provided that the member has reached the age and/or service requirement that will not result in a prohibited in-service distribution as defined by the Internal Revenue Service, or a retiree may be elected to a municipal or county office, provided that the person:

(i) Files annually, in writing, in the office of the employer and the office of the executive director of the system before the person takes office or as soon as possible after retirement, a waiver of all salary or compensation and elects to receive in lieu of that salary or compensation a retirement allowance as provided in this section, in which event no salary or compensation shall thereafter be due or payable for those services; however, any such officer or employee may receive, in addition to the retirement allowance, office expense allowance, mileage or travel expense authorized by any statute of the State of Mississippi; or

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

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

Condition	<p>During the course of our audit, we noted the following:</p> <ul style="list-style-type: none">• One (1) retired individual earned in excess of the allowable amount as determined by PERS• Two (2) retired individuals had not executed the PERS Form 4B (or 9C) for the PERS fiscal year.
Cause	<p>The County did not comply with <i>Section 25-11-127, Mississippi Code Annotated (1972)</i> in that it failed to ensure proper notice to PERS, proper execution of required documents, and proper monitoring of wages to ensure the PERS cap was not exceeded.</p>
Effect	<p>The failure to comply with the reemployment conditions as reported on PERS Form 4B and 9C could jeopardize the provisions for reemployment.</p>
Recommendation	<p>The County should ensure that the statutory conditions for reemployment are met.</p>
Response	<p>We will comply with this recommendation.</p>
11.	<p><u>Employee File Documentation.</u></p>
Repeat Finding	<p>No</p>
Criteria	<p>The County is responsible for establishing and maintaining an effective system of internal controls pertaining to the documentation in employee files.</p>
Condition	<p>During the course of our test work, we noted the following:</p> <ul style="list-style-type: none">• Ten (10) instances where the I-9 was incomplete

Cause	The employee files are not being reviewed regularly to identify files without proper documentation.
Effect	Failure to properly execute Form I-9 could result civil penalties for the County.
Recommendation	The County should maintain a complete employee file system that would ensure that the County is in compliance with State and Federal employee document retention policies and laws.
Response	We will comply with this recommendation.

Circuit Clerk

12. The Circuit Clerk Should Ensure Compliance with State Law Regarding the Timely Deposit of Funds.

Repeat Finding No

Criteria *Section 25-1-72, Mississippi Code Annotated (1972), states that, "All county officers who receive funds payable into the county treasury shall deposit such funds into the county depository on the day when they are collected or on the next business day thereafter."*

Condition During the course of our test work in Jackson, we noted that fourteen (14) of the twenty (20) deposits tested were not made in a timely manner with some deposits being held for longer than a week from the date of receipt.

We further noted during our test work in Raymond that eight (8) of the seventeen (17) deposits tested were not made in a timely manner with multiple deposits being held for longer than two weeks from the date of receipt.

Cause These delays are due to inadequate internal controls surrounding the statutory requirements for depositing of revenue collected in the office.

Effect Inadequate controls surrounding the deposits of revenue collections could result in improper revenue recognition and noncompliance with statutory requirements. Failure to implement controls over cash could result in a delay in the timely reconciliation of bank accounts and settlement of funds.

Recommendation The Clerk should ensure that the deposits are being made in a timely manner as prescribed by statute.

Response I will comply.

13. The Circuit Clerk Should Ensure Compliance with State Law over Filing the Annual Financial Report.

Repeat Finding No

Criteria	<p><i>Section 9-1-45(1), Mississippi Code Annotated (1972), states, “Each Chancery and Circuit Clerk shall file, not later than April 15 of each year, with the State Auditor of Public Accounts a true and accurate annual report on a form to be designed and supplied to each Clerk by the State Auditor of Public Accounts immediately after January 1 of each year. The form shall include the following information: (a) revenues subject to the salary cap, including fees; (b) revenues not subject to the salary cap; and (c) expenses of office, including any salary paid to a Clerk’s spouse or children. Each Chancery and Circuit Clerk shall provide any additional information requested by the Public Employees’ Retirement System for the purpose of retirement calculations.”</i></p> <p><i>Section 9-1-45(3), Mississippi Code Annotated (1972), states, “If the Chancery or Circuit Clerk fails to provide the reports required in this section, then the State Auditor shall give by United States certified mail, return receipt requested, written notification to the Chancery or Circuit Clerk of noncompliance. If within thirty (30) days after receipt of the notice, the Chancery or Circuit Clerk, in the opinion of the State Auditor, remains in noncompliance, the State Auditor may institute civil proceedings in a court of the county in which the Clerk serves. The court, upon a hearing, shall decide the issue and if it determines that the Clerk is not in substantial compliance, shall order the Clerk to immediately and thereafter comply. Violations of any order of the court shall be punishable as for contempt. In addition, the court in its discretion may impose a civil penalty in an amount not to exceed Five Thousand Dollars (\$5,000) upon the Clerk, for which he shall be liable in his individual capacity, for any such noncompliance that the court determines as intentional or willful.”</i></p>
Condition	The Clerk did not file the Annual Financial Report by the statutory deadline. During the course of this audit, we noted that the report was filed on April 18, 2022.
Cause	The Clerk did not timely file the Annual Financial Report until after the statutory deadline.
Effect	Failure to file an Annual Financial Report could result in a civil court proceeding and possible civil penalty in an amount not to exceed Five Thousand Dollars (\$5,000).
Recommendation	The Clerk should ensure that the report is filed by the statutory deadline.
Response	I will comply.
Chancery Clerk	
14.	<u>The Chancery Clerk should implement controls over cash collections to standardize cash handling and ensure compliance with state law regarding the timely deposit of funds.</u>

Repeat Finding	No
Criteria	<i>Section 25-1-72, Mississippi Code Annotated (1972)</i> , states that, "All county officers who receive funds payable into the county treasury shall deposit such funds into the county depository on the day when they are collected or on the next business day thereafter."
Condition	<p>During the course of our test work in Raymond, we found that six (6) of ten (10) land redemption deposits tested were not made in a timely manner. We noted that five (5) of the six (6) untimely deposits were held for longer than a week.</p> <p>Auditors further noted that there was no defined daily close out and deposit processes for land redemption collections. Deposits were being made haphazardly with the amounts collected often not balancing to the releases issued.</p>
Cause	These delays are due to inadequate internal controls surrounding the statutory requirements for the depositing of revenue collected in the office.
Effect	Inadequate controls surrounding the deposits of revenue collections could result in improper revenue recognition and noncompliance with statutory requirements. Failure to implement controls over cash could result in a delay in the timely reconciliation of bank accounts and settlement of funds.
Recommendation	The Chancery Clerk should implement controls over cash collections to ensure that the deposits are being made in a timely manner as prescribed by statute as well as to define procedures for the handling of cash.
Response	The Chancery Clerk will ensure that all deposits are made daily pursuant to the Mississippi Code. Additional procedures will be put in place for handling cash.

15. The Chancery Clerk Should Ensure Compliance with State Law over the Calculation of Fees for the Collection of Delinquent Taxes.

Repeat Finding No

Criteria *Section 25-7-21(4), Mississippi Code Annotated (1972), states that, “Fees of chancery clerk for collection of delinquent taxes:*

- a. For abstracting the list of lands sold for taxes, for each separately described section or subdivision lot. . . . \$ 1.00
- b. For filing and recording deed to land sold for taxes. . . . \$10.00
- c. For abstracting each deed in the sectional index, per section or subdivision lot. . . . \$ 1.00
- d. For recording redemption of each. . . . \$10.00
- e. For abstracting each redemption in the sectional index, per section or subdivision lot. . . . \$ 1.00
- f. And, in addition, three percent (3%) on the amount necessary to redeem.*

The several officers' fees shall be collected by the tax collector or chancery clerk and paid over to those entitled to same.” (Emphasis added).

Condition During the course of our test work, we noted that calculation for the clerk’s 3% redemption fee is calculating at just under 3%, which results in a shortage of about \$0.27 per release.

Cause This miscalculation is due to inadequate internal controls surrounding the statutory calculations of the clerk’s fees for redemption. This is likely due to a setting or parameter in the software used for the processing of releases.

Effect Inadequate controls surrounding the calculation of amounts due to the Clerk result in less revenue collected and results in noncompliance with statutory requirements.

Recommendation The Chancery Clerk should ensure that the calculations of land redemption fees are being made in the manner prescribed by statute.

Response The Chancery Clerk will work with the IT Department to ensure that calculation fees for the collection of Delinquent Taxes are in compliance with State Law.

16. Public Officials Should Ensure Compliance with State Law over the Public Depositors Annual Report.

Repeat Finding No

Criteria *Section 27-105-5(6), Mississippi Code Annotated (1972), states, “Public depositors shall comply with the following requirements: a) A public depositor shall ensure that the name of the public depositor and its tax identification number are on the account or certificate provided to the public depositor by the qualified public*

depository in a manner sufficient to disclose the identity of the public depositor;
b) Not later than thirty (30) days following its fiscal year end, a public depositor shall notify the State Treasurer of its official name, address, federal tax identification number, and provide a listing of all accounts that it had with qualified public depositories, including the deposit balance in those accounts, as of its fiscal year end. A public entity established during the year shall furnish its official name, address and federal tax identification number to the State Treasurer before making any public deposit.”

Condition	The Public Depositors Annual Report was not filed.
Cause	The Public Depositors Annual Report was not filed by the statutory deadline.
Effect	Failure to notify the State Treasurer of its official name, address, federal tax identification number, and the balance in its accounts, as of its fiscal year end, increases the risk that the County’s total deposits may not be properly collateralized and results in noncompliance with <i>Section 27-105-5(6)</i> .
Recommendation	We recommend that the County file the Public Depositors Annual Report within thirty (30) days following the fiscal year end, as required by state law.
Response	The Chancery Clerk will ensure that the Annual Depository Report is submitted timely as required by State Law.
17.	<u>The Chancery Clerk Should Ensure Compliance with State Law over Expenses Claimed.</u>
Repeat Finding	No
Criteria	<i>Section 9-1-43(1), Mississippi Code Annotated (1972)</i> , further states, “(1) After making deductions for employer contributions paid by the chancery or circuit clerk to the Public Employees’ Retirement System under <i>Sections 25-11-106.1 and 25-11-123(f)(4)</i> , employee salaries and related salary expenses, and expenses allowed as deductions by Schedule C of the Internal Revenue Code, no office of the chancery clerk or circuit clerk of any county in the state shall receive fees as compensation for the chancery clerk’s or circuit clerk’s services in excess of Ninety-four Thousand Five Hundred Dollars (\$94,500.00).”
Condition	<p>During the course of our audit, we noted that the following items were claimed as interest expenses on the Annual Financial Report, but they are not allowable expenses by Schedule C of the Internal Revenue Code:</p> <ul style="list-style-type: none"> • Penalty for Late Filing of PERS Withholding for \$132.97 • Penalty for Late Filing of State Tax Withholding for \$200.20 • Penalty for Late Filing of State Tax Withholding for \$292.00 • Penalty for Late Filing of State Tax Withholding for \$174.00 • Penalty for Late Filing of State Tax Withholding for \$280.82 • Penalty for Late Filing of State Tax Withholding for \$341.98

- Penalty for Late Filing of State Tax Withholding for **\$212.29**
- Penalty for Late Filing of State Tax Withholding for **\$190.80**
- Penalty for Late Filing of State Tax Withholding for **\$199.32**
- Penalty for Late Filing of State Tax Withholding for **\$197.40**
- Penalty for Late Filing of State Tax Withholding for **\$206.20**
- Penalty for Late Filing of Federal Tax Withholding for **\$5,011.39**
- Penalty for Late Filing of Federal Tax Withholding for **\$20,182.52**
- Penalty for Late Filing of PER Withholding for **\$68.65**
- Penalty for Late Filing of PERS Withholding for **\$13.19**

Cause	The Clerk claimed expenses that are not allowable by Schedule C of the Internal Revenue Code.
Effect	Claiming expenses that are not allowable results in noncompliance and could result in the loss or misappropriation of public funds.
Recommendation	<p>The Clerk should only claim expenses allowable under Schedule C. The Clerk should also consider guidance as found in IRS Publication 529.</p> <p>It is further recommended that the Clerk amend the AFR and repay the improperly claimed expenses in the amount of \$27,703.73.</p>
Response	The Chancery Clerk's Annual Financial Report will be amended for FY 2021 and submitted to the appropriate agencies. Additionally, appropriate funds will be transferred to the County General Funds.
18.	<u>The Chancery Clerk Should Ensure Compliance with State Law over the Usage of Chancery Court Clerk Clearing Accounts.</u>
Repeat Finding	No
Criteria	<p><i>Section 9-1-43(4), Mississippi Code Annotated (1972), states that, "There is created in the county depository of each county a clearing account to be designated as the "chancery court clerk clearing account," into which shall be deposited: (a) all such monies as the clerk of the chancery court shall receive from any person complying with any writ of garnishment, attachment, execution or other like process authorized by law for the enforcement of child support, spousal support or any other judgment; (b) any portion of any fees required by law to be collected in civil cases which are to pay for the service of process or writs in another county; and (c) any other money as shall be deposited with the court which by its nature is not, at the time of its deposit, public monies, but which is to be held by the court in a trust or custodial capacity in a case or proceeding before the court. The clerk of the chancery court shall account for all monies deposited in and disbursed from such account and shall be authorized and empowered to draw and issue checks on such account at such times, in such amounts and to such persons as shall be proper and in accordance with law."</i> (Emphasis added).</p>

Condition	During the course of our test work, we noted two (2) separate instances where funds received on behalf of individuals over whom the Clerk had a conservatorship were deposited directly into the Clerk's fee account. These funds were used to pay the final expenses of those two individuals directly from the Clerk's fee account. They were denoted as "Office Supplies" expenses.
Cause	The Clerk deposited funds received in a trust or custodial capacity into the Clerk's fee account when the funds should have been deposited into the chancery court clerk clearing account.
Effect	Inadequate controls surrounding the deposit of amounts held in a trust or custodial capacity result in noncompliance with statutory requirements and could result in the misappropriation of funds held in a trust or custodial capacity.
Recommendation	The Chancery Clerk should ensure that funds received, held, and paid in a trust or custodial capacity are deposited into the chancery court clerk clearing account as prescribed by statute.
Response	The Chancery Clerk will establish a Clearing Miscellaneous Account to maintain all Guardianships and Conservatorships Funds.

Road Manager

19. The Road Manager Should Prepare All Requisitions for the County Road Department.

Repeat Finding	No
Criteria	<i>Section 65-17-1(2), Mississippi Code Annotated (1972), states, "All requisitions for the purchase and repair of all equipment, heavy equipment, machinery, supplies, commodities, materials and services for the county road department shall be prepared by the county road manager and submitted to the county department of purchasing for processing in accordance with the central purchasing system."</i>
Condition	During the course of our test work, we noted the following instances of non-compliance: <ul style="list-style-type: none"> • Five (5) instances where the Purchase Requisition for the Road Department was signed by someone other than the Road Manager
Cause	The Road Manager is not signing the purchase requisitions for the Road Department.
Effect	The County is not in compliance with State law, and this may result in the misappropriation of public funds.
Recommendation	The Road Manager should verify that he or she signs all purchase requisitions for the road department.
Response	The Road Manager will comply with this recommendation.

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

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

Bridgers, Goodman, Baird & Clarke, PLLC

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

June 25, 2024

HINDS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

HINDS 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 | Unmodified |
| General Fund | Unmodified |
| ARPA Fund | Unmodified |
| Aggregate remaining fund information | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiency identified? | Yes |
| 3. Noncompliance material to the financial statements noted? | Yes |

Federal Awards:

- | | |
|---|---------------|
| 4. Internal control over major federal programs: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiency identified? | None Reported |
| 5. Type of auditor's report issued on compliance for major federal programs: | Unmodified |
| 6. Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | no |
| 7. Identification of major federal programs: | |
| a. Assistance Listing #21.023, Emergency Rental Assistance | |
| 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 finding(s) 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 CFR 200.511(b)? | Yes |

HINDS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2021

Section 2: Financial Statement Findings

Board of Supervisors

Material Weakness

Material Non-Compliance

2021-001. Restricted funds should only be used for authorized purposes.

Repeat Finding Yes-2020-002

Criteria *Section 19-5-313(2), Mississippi Code Annotated (1972) states, "If the proceeds generated by the emergency telephone service charge exceed the amount of monies necessary to fund the service, the board of supervisors may authorize such excess funds to be expended by the county and the municipalities in the counties to perform the duties and pay the costs relating to identifying roads, highways and streets, as provided by Section 65-7-143."*

Condition The Board of Supervisors approved the following interfund loans from the E-911 Fund:

- 10/19/2020 to Garbage & Solid Waste Fund for **\$110,000**
- 10/19/2020 to County Wide Bond & Interest Fund for **\$2,015,000**
- 11/2/2020 to Garbage & Solid Waste Fund for **\$155,000**
- 12/7/2020 to Garbage & Solid Waste Fund for **\$160,000**
- 12/21/2020 to the County Wide Road M&C Fund for **\$50,000**
- 1/4/2021 to the Garbage & Solid Waste Fund for **\$160,000**
- 1/4/2021 to the County Wide Road M&C Fund for **\$425,000**
- 1/19/2021 to the County Wide Road M&C Fund for **\$50,000**
- 2/1/2021 to the Jackson-Hinds Library System Fund for **\$35,000**
- 2/16/2021 to the County Wide Road M&C Fund for **\$30,000**
- 7/6/2021 to the County Wide Road M&C Fund for **\$20,000**
 - **TOTAL: \$3,210,000**

Cause Controls were not sufficient to prohibit the misuse of restricted funds.

Effect Using E-911 fees for any purpose other than those authorized by Section 19-5-312 results in a diversion of legally restricted funds.

Recommendation The Board of Supervisors should not approve any interfund loans or transfers to be spent for purposes other than those authorized by law.

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

HINDS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2021

Auditor Note	Section 19-9-27, Mississippi Code of 1972, Annotated states, "The board of supervisors may borrow said money, as hereinbefore provided, from any available fund in the county treasury." Section 19-5-313(2), Mississippi Code of 1972 Annotated only allows E-911 fee revenue to be used to fund E-911 services and other costs related to identifying roads, highways and streets, as provided by Section 65-7-143. Therefore, E-911 fee revenue is not considered available to fund garbage and solid waste collection, the Jackson-Hinds Library System, road maintenance, or bridge maintenance.
Material Weakness	
2021-002.	<u>Public Officials should strengthen controls over financial accounting and reporting.</u>
Repeat Finding	No
Criteria	An effective system of internal controls over financial accounting and reporting should include adequate staff with sufficient competence to implement an organizational structure that will allow for proper oversight and review at multiple levels of the performance of accounting duties. The system would also include software that allows for reporting in a format readily usable by external parties.
Condition	The County's financial accounting and reporting processes largely lie with one individual. Further, the County's accounting software is antiquated, difficult to navigate, open to manipulation, as the County has access to the source code, and it is extremely cumbersome to produce reports from the software that do not require significant manipulation before being usable by external parties.
Cause	The County has failed to implement a system of controls over the financial accounting and reporting process sufficient to provide adequate separation of duties, organizational structure that will allow for review and oversight at multiple levels, adequate training and retention of competent personnel in accounting positions to allow for succession of knowledge, usable software that contains internal controls and features to prevent, detect, and correct errors and manipulation, and software with reporting functionality that generates reports usable by external parties without substantial manipulation by internal parties.
Effect	Failure to implement a system of controls over the financial accounting and reporting processes could result in the loss or misappropriation of public funds, a lack of financial transparency, and the potential for a serious gap in financial knowledge of the entity.
Recommendation	The Board of Supervisors should implement a system of controls over the financial accounting and reporting processes sufficient to address the matters mentioned above.

Views of Responsible

HINDS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2021

Official(s) See Corrective Action Plan.

Chancery Clerk

Significant Deficiency

2021-003. The land redemption bank account was not properly reconciled.

Repeat Finding Yes-2020-003

Criteria An effective system of internal control over land redemption should include the proper reconciliation of land redemption releases to the bank account balance.

Condition During a cash count on the Raymond Land Redemption account on November 29, 2023, we noted that the bank account was not being properly reconciled. The Chancery Clerk's reconciliation at October 31, 2023 showed an unidentified overage of \$3,073.82. The Clerk's reconciliation at November 30, 2023 showed an unidentified shortage of \$216.06. Our reconciliation at the date of the cash count showed an unidentified overage of **\$9,635.04**.

The Chancery Clerk's Jackson land redemption reconciliation for September 30, 2021 showed an unidentified overage of **\$8,731.18**.

Cause The Chancery Clerk has not implemented proper controls to ensure the accuracy of the bank reconciliations for the two land redemption accounts.

Effect Failure to properly address discrepancies noted in the bank reconciliation could for the land redemption bank accounts could result in the loss or misappropriation of public funds.

Recommendation The Clerk should establish and maintain an effective system of internal control over cash and ensure that all bank reconciliations are prepared timely and that all discrepancies identified are resolved.

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

Circuit Clerk

Material Weakness

Material Non-Compliance

2021-004. The Circuit Clerk should strengthen internal controls over accounting for multiple bank accounts and amounts held in custody of the court.

Repeat Finding Yes-2020-004

HINDS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2021

Criteria	<i>Section 9-1-43(5), Mississippi Code Annotated (1972),</i> requires the Circuit Clerk to maintain separate civil, criminal, and fee accounts. An effective system of internal controls over cash should include separate cash journals for individual bank accounts and maintenance of subsidiary ledgers documenting amounts held in custody for the court.
Condition	The Clerk maintains nine bank accounts for the court and one for his fees. All ten accounts are comingled in the same bookkeeping system. During testing of the Clerk's year-end trial balance, we noted that some transactions had been misclassified in liability accounts belonging to other bank accounts. At September 30, 2021 approximately \$2,406,005.16 is being held in these bank accounts in custody for others. Amounts held in custody include eminent domain, cash bonds, and appeals costs. Of this amount, \$1,951,863.23 is not supported by subsidiary records.
Cause	The Clerk's bookkeeping system is not set up to account for each bank account separately from the other bank accounts. The Clerk does not maintain subsidiary ledgers to document where this money came from or who it is being held for.
Effect	Failure to maintain separate cash journals and a lack of subsidiary ledgers to account for amounts held in custody could result in the loss or misappropriation of public funds.
Recommendation	The Clerk should account for each bank account with a separate set of self-balancing accounts. The Clerk should create accounts payable subsidiary ledgers to account for eminent domain, cash bonds, appeals costs, and any other amounts held in custody. Any unidentified funds should be settled to the Board of Supervisors. The subsidiary ledgers should be reconciled along with the cash balances to the appropriate accounts monthly.
Views of Responsible Official(s)	See Corrective Action Plan.
Tax Collector	
Material Weakness	
2021-005.	<u>The Tax Collector should strengthen internal controls over deposits, reconciliations, and financial accounting and ensure compliance.</u>
Repeat Finding	Yes-2020-005
Criteria	An effective system of internal control over the collection, depositing, recording, disbursement, and reconciliation of cash in the Tax Collector's office should include proper controls over the various accounting functions.

HINDS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2021

Condition	<p>During audit procedures performed at the Tax Collector's offices in Jackson and Raymond, the auditors noted the following internal control deficiencies:</p> <ul style="list-style-type: none">• Four (4) instances of deposits not being timely.• Two (2) instances where the deposit did not match the daily recap.• A cash count was conducted on November 30, 2023, but auditors were unable to properly draw a conclusion due to issues with numerous accounts on the trial balance.• The reconciled cash balances per the reconciliations for the period did not match the account balances on the trial balance.• The Tax Collector's cash journal contained errors such as carrying balances for bank accounts that were closed, a lack of continuity from end of month to beginning of month balances, and an incomplete record of collections and disbursements.• The Tax Collector's current processes and procedures for computing monthly auto ad valorem settlements do not allow for timely and accurate reconciliation between the MARVIN-generated collections reports and the auto ad valorem settlement reports manually calculated by the Tax Collector's Office.• The Tax Collector's current collection software is antiquated, and the accounting processes lack certain controls due to the largely manual nature of processing information from the collection software, MARVIN, and the separate accounting software used in the offices.
Cause	<p>Various factors contributed to the deficiencies in internal controls over deposits, reconciliations, and financial accounting and reporting including a lack of timeliness in posting collections and disbursements to the Tax Collector's cash journal due to certain limitations of their current software, challenges created by the state's new system for issuing car tags, and a lack of controls over the recording and accounting functions to ensure accurate financial accounting and reporting.</p>
Effect	<p>Failure to develop and monitor controls over the accounting functions could result in errors going undetected, incorrect settlements, as well as the loss or misuse of public funds.</p>
Recommendation	<p>The Tax Collector should establish and maintain an effective system of internal control over collections, deposits, disbursements, settlements, reconciliations, and financial accounting and reporting to ensure the timely and accurate collection and settlement of taxes.</p>
Views of Responsible Official(s)	<p>See Corrective Action Plan.</p>

HINDS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2021

Purchase Clerk/Board of Supervisors/Election Commission

Material Weakness

Material-Noncompliance

2021-006. The Purchase Clerk shall be responsible for the maintenance of the central purchasing system of the County.

Repeat Finding Yes-2020-007 (as to the Purchase Clerk)

Criteria The County is responsible for complying with the requirements of the Public Purchasing Laws; Title 31, Chapter 7.

Condition The County failed to comply with Public Purchasing Laws: Title 31, Chapter 7. A well-designed purchasing system would comply with the provisions of Title 31, Chapter 7 and would include proper bid requirements as well as the use of purchase requisitions, purchase orders, and receiving reports. During our test work, we noted the following instances of non-compliance:

- Three (3) instances where no competitive bid or second quote was obtained for an expenditure of greater than \$5,000
- Two (2) instances where no agreement or contract was provided for a service
- Six (6) instances where no documentation was provided at all to support the disbursements
- Seven (7) instances where a general service agreement was executed but no competitive bid or second quote was obtained for an expenditure of greater than \$5,000
- Three (3) instances where a general service agreement was executed but no notice was provided to seek competitive bids for an expenditure of greater than \$50,000
- One (1) instance where a general service agreement was executed in lieu of purchasing documents for an expenditure of less than \$5,000 but greater than \$1,500
- Two (2) instances where only a quote or estimate was provided but no invoice was included to support the disbursement
- Eight (8) instances where the receiving report was signed by an unauthorized individual
- Two (2) instances where the invoice is dated prior to the purchase order
- One (1) instance where the purchase order was signed by an unauthorized individual
- One (1) instance where there was no receiving report

HINDS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2021

Cause	The County has failed to establish and maintain an adequate internal control system to ensure compliance with the Public Purchasing Laws: Title 31, Chapter 7.
Effect	The County is not in compliance with Public Purchasing Laws: Title 31, Chapter 7, and this could result in the loss or misappropriation of public funds.
Recommendation	The County should establish and maintain an adequate internal control system which would ensure that the County is in compliance with the Public Purchasing Laws: Title 31, Chapter 7.

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

Inventory Control Clerk

Material Weakness

Material-Noncompliance

2021-007. The County should establish and maintain effective internal controls over financial reporting of capital assets.

Repeat Finding Yes-2019-001; 2020-008

Criteria *Section 31-7-107, Mississippi Code Annotated (1972)*, requires the Inventory Control Clerk to maintain an inventory system. An effective system of internal controls over capital assets should include proper recording of additions and deletions.

Condition The County's current record keeping system and accounting processes and procedures for capital assets do not allow for timely and accurate reconciliation of additions and deletions of capital assets in the proper period. Errors were identified in the capital asset schedules that were not detected by management.

Cause There are no procedures in place to reconcile construction in progress to ensure current year additions were not previously included in construction in progress. Additionally, the process and timeline for the preparation of capital asset schedules does not provide for timely review, approval, and identification of possible errors.

Effect The financial statements could be materially misstated, and the errors would not be detected by management. Further, multiple revisions to the capital asset schedules were required, which caused delays in the close-out of the capital asset accounts.

Recommendation The County should regularly track, record, and reconcile costs intended to be capitalized. We further recommend capital asset records should be updated timely to facilitate a review and approval process.

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

HINDS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2021

Section 3: Federal Award Findings and Questioned Costs

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

HINDS COUNTY

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

ROBERT GRAHAM
District 1
President

TONY SMITH
District 2

DEBORAH BUTLER-DIXON
District 3



WANDA EVERS
District 4
Vice President

BOBBY "BOBCAT" MCGOWAN
District 5

LURE D. BERRY
County Administrator

June 28, 2024

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

To Whom It May Concern:

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

The findings from the Schedule of Findings and Questioned Costs are discussed below. The findings are 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:

The County did not divert these funds, the County borrowed from an internal source ("any available fund in the county treasury") as allowed under MS Code Section 19-9-27, then replaced the loan with interest as required.

Anticipated Completion Date:

Unknown

Contact Person Responsible for Corrective Action:

NAME – Lure D. Berry
TITLE – County Administrator
PHONE NUMBER – 601-714-6220

2021-002.

Corrective Action Planned:

Going forward the Board has implemented the Workday software.

Anticipated Completion Date:

Unknown

Contact Person Responsible for Corrective Action:

NAME – Lure D. Berry
TITLE – County Administrator
PHONE NUMBER – 601-714-6220

2021-003.

Corrective Action Planned:

The Chancery Clerk will establish two new Land Redemptions Accounts, one each for Jackson and Raymond, and transfer all remaining unidentified overages while we continue our efforts to resolve the overages.

Anticipated Completion Date:

Unknown

Contact Person Responsible for Corrective Action:

NAME – Eddie Jean Carr
TITLE – Chancery Clerk
PHONE NUMBER – 601-968-6507

2021-004.

Corrective Action Planned:

The Circuit Clerk will account for each bank account with a separate set of self-balancing accounts.

Anticipated Completion Date:

Unknown

Contact Person Responsible for Corrective Action:

NAME – Zack Wallace
TITLE – Circuit Clerk
PHONE NUMBER – 601-968-6628

2021-005.

Corrective Action Planned:

After reviewing the findings of the 2020 audit and the current audit, my team and I are committed to improving workflow processes. In order to improve accounting methods to ensure state guidelines are being followed and met, I have upgraded the Quickbooks software. The upgrades to the system will provide for accuracy in collections, bank reconciliation, settlements, and will enable bookkeepers to submit reports timely.

Anticipated Completion Date:

Unknown

Contact Person Responsible for Corrective Action:

NAME – Eddie Fair
TITLE – Tax Collector
PHONE NUMBER – 601-714-6258

2021-006.

Corrective Action Planned:

The Purchasing Clerk will ensure that the purchasing documents will be properly dated and signed with all documents be matched correctly. The County will follow state laws. The Purchasing Clerk will make sure the department documents are present, complete, prepared in order, and in agreement with each other. Please note that the present Purchasing Clerk first year in this position was FY 2021.

Anticipated Completion Date:

Unknown

Contact Person Responsible for Corrective Action:

NAME- Lure D. Berry
TITLE – County Administrator
PHONE NUMBER – 601-714-6220

2021-007.

Corrective Action Planned:

The County has developed a small team to reconcile the Inventory System and the Capital Assets Schedule. The team will resume its annual Internal Audits of Capital Assets, focusing primarily on construction in progress and correcting any accounting errors related to misstated financials. The County has implemented Workday software to help in calculating depreciation moving forward.

Anticipated Completion Date:

Unknown

Contact Person Responsible for Corrective Action:

NAME – Lure D. Berry
TITLE – County Administrator
PHONE NUMBER – 601-714-6220

Sincerely,

A handwritten signature in blue ink that reads "Robert Graham". The signature is fluid and cursive, with the first name "Robert" being more prominent than the last name "Graham".

Robert Graham
Hinds County Board President
601.968-6501

ROBERT GRAHAM
District 1
President

TONY SMITH
District 2

DEBORAH BUTLER-DIXON
District 3



WANDA EVERS
District 4
Vice President

BOBBY "BOBCAT" MCGOWAN
District 5

LURE D. BERRY
County Administrator

June 27, 2024

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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

To Whom It May Concern:

Hinds County respectfully submits the following summary schedule of prior audit findings for the year ended **September 30, 2021**.

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

Section 2: Financial Statement Findings

2020-001. The County should strengthen controls over the use of the credit cards and payments to ensure compliance.

CORRECTED.

2020-002. Restricted funds should only be used for authorized purposes.

NOT CORRECTED.

The County did not divert any funds, the County borrowed from an internal source ("any available fund in the county treasury") as allowed under MS Code Section 19-9-27, then repaid the loan with interest, as required.

2020-003. The land redemption bank account was not properly reconciled.

NOT CORRECTED.

The Chancery Clerk will establish two new Land Redemptions Accounts, one each for Jackson and Raymond, and transfer all remaining unidentified overages while we continue our efforts to resolve the overages.

316 South President Street • P.O. Box 686 • Jackson, MS 39205-0686 • (601) 968-6501 • Fax (601) 968-6794

- 2020-004. The Circuit Clerk should strengthen internal controls over accounting for multiple bank accounts and amounts held in custody of the court.
- NOT CORRECTED.
- The Circuit Clerk will account for each bank account with a separate set of self-balancing accounts.
- 2020-005. The Tax Collector should strengthen controls and ensure compliance over financial documentation.
- NOT CORRECTED.
- After reviewing the findings of the 2020 audit and the current audit, my team and I are committed to improving workflow processes. In order to improve accounting methods to ensure state guidelines are being followed and met, I have upgraded the Quickbooks software. I am aware that other improvements and upgrades to the antiquated accounting methods being used is necessary, since most are done through manual computations, which can lead to errors in accounting. I have spoken to a representative about enhanced technology to integrate applications across county systems to include MARVIN and reduce manual processing. These upgrades will provide for accuracy in collections, bank reconciliation, settlements, and will enable bookkeepers to submit reports timely. As the keeper of revenue for the county and local municipalities, I do realize the importance of maintaining accurate accounting and reporting of funds available to ensure local governments can operate.
- 2020-006. The Sheriff's unidentified funds should be settled to the Board of Supervisors.
- CORRECTED.
- 2020-007. The Purchase Clerk shall be responsible for the maintenance of the central purchasing system of the County.
- NOT CORRECTED.
- The Purchasing Department will establish and maintain an internal control system which would ensure that the County is in compliance with the Public Purchasing Laws: Title 31, Chapter 7. The new Workday software will assist in compliance of the Public Purchasing Laws. Please note this was the Purchasing Clerk first FY in this position.
- 2020-008. The County should establish and maintain effective internal controls over financial reporting of capital assets.
- NOT CORRECTED.

The new Workday software will allow the county to regularly track, record, and reconcile costs intended to be capitalized. The new software will allow the capital asset records to be updated timely to facilitate a review and approval process.

Section 3: Federal Award Findings

There were no prior year findings and questioned costs related to federal awards.

Sincerely,

A handwritten signature in blue ink that reads "Robert Graham". The signature is written in a cursive style and is positioned above a horizontal line.

Robert Graham
Board President
601-968-6501