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



## HUMPHREYS COUNTY

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HUMPHREYS COUNTY

FINANCIAL SECTION



DAVID I. BRIDGERS, JR., CPA  
L. KARL GOODMAN, CPA, MBA  
WILLIAM F. BAIRD, CPA  
EUGENE S. CLARKE, IV, CPA  
DAVID E. CLARKE, CPA

3528 MANOR DRIVE  
VICKSBURG, MISSISSIPPI 39180

PHONE: (601) 636-1416  
FAX: (601) 636-1417

MEMBERS OF  
MISSISSIPPI SOCIETY OF CPAs  
AMERICAN INSTITUTE OF CPAs  
GOVERNMENT AUDIT QUALITY CENTER

## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors  
Humphreys County, Mississippi

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

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, the major fund, and the aggregate remaining fund information of Humphreys 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 Humphreys County Library, which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component unit column. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Humphreys County Library, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

audit opinions.

### ***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, the major fund, and the aggregate remaining fund information of Humphreys County, Mississippi, as of September 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

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

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

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

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

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 April 21, 2024 on our consideration of Humphreys 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 Humphreys 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 Humphreys 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

April 21, 2024

## HUMPHREYS COUNTY

## FINANCIAL STATEMENTS

HUMPHREYS COUNTY  
Statement of Net Position  
September 30, 2021

Exhibit 1

	Primary Government Governmental Activities	Component Unit Humphreys County Library
<b>ASSETS</b>		
Cash	\$ 11,597,057	113,445
Property tax receivable	7,060,600	
Accounts receivable (net of allowance for uncollectibles of \$3,400,205)	68,542	
Fines receivable (net of allowance for uncollectibles of \$1,249,111)	50,427	
Intergovernmental receivables	150,361	
Other receivables	1,837	
Capital assets:		
Land and construction in progress	1,226,252	
Other capital assets, net	30,385,869	9,724
Total Assets	50,540,945	123,169
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	2,288,065	34,856
Deferred outflows related to OPEB		5,945
Total Deferred Outflows of Resources	2,288,065	40,801
<b>LIABILITIES</b>		
Claims payable	440,756	1,555
Intergovernmental payables	127,066	
Accrued interest payable	32,557	
Amounts held in custody for others	51,177	
Long-term liabilities		
Due within one year:		
Non-capital debt	325,000	
Capital debt	457,604	
Due in more than one year:		
Capital debt	3,608,242	
Non-capital debt	540,542	2,016
Net pension liability	8,124,215	133,615
Net OPEB liability		16,686
Total Liabilities	13,707,159	153,872
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows related to pensions	2,309,716	50,105
Deferred inflows related to OPEB		8,925
Deferred revenues - property taxes	7,060,600	
Total Deferred Inflows of Resources	9,370,316	59,030
<b>NET POSITION</b>		
Net investment in capital assets	27,546,275	9,724
Restricted for:		
Expendable:		
Public safety	1,058,119	
Public works	321,508	
Culture and recreation		6,224
Debt service	479,331	
Unrestricted	346,302	(64,880)
Total Net Position	\$ 29,751,535	(48,932)

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

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

Exhibit 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Component Unit Humphreys County Library
Primary government:						
Governmental activities:						
General government	\$ 3,769,046	228,638	921,147		(2,619,261)	
Public safety	2,413,409	3,071	21,985		(2,388,353)	
Public works	3,402,003	232,585	1,623,426	209,464	(1,336,528)	
Health and welfare	138,558				(138,558)	
Culture and recreation	66,800				(66,800)	
Conservation of natural resources	95,552				(95,552)	
Economic development and assistance	1,833				(1,833)	
Interest on long-term debt	95,931				(95,931)	
Pension expense	1,328,033				(1,328,033)	
Total Governmental Activities	<u>\$ 11,311,165</u>	<u>464,294</u>	<u>2,566,558</u>	<u>209,464</u>	<u>(8,070,849)</u>	
Component unit:						
Humphreys County Library	<u>\$ 118,413</u>	<u>4,076</u>	<u>45,339</u>	<u>0</u>		<u>(68,998)</u>
General revenues:						
Property taxes				\$ 9,525,879		
Road & bridge privilege taxes				83,557		
Grants and contributions not restricted to specific programs				537,825		67,542
Unrestricted interest income				37,261		112
Miscellaneous				181,935		343
Total General Revenues				<u>10,366,457</u>		<u>67,997</u>
Changes in Net Position					2,295,608	(1,001)
Net Position - Beginning, as previously reported					27,313,997	(47,931)
Fund reclassification					38,434	
Prior period adjustment					103,496	
Net Position - Beginning, as restated					<u>27,455,927</u>	<u>(47,931)</u>
Net Position - Ending					<u>\$ 29,751,535</u>	<u>(48,932)</u>

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

HUMPHREYS COUNTY  
Balance Sheet - Governmental Funds  
September 30, 2021

Exhibit 3

	Major Fund	Other	Total
	General	Governmental	Governmental
	Fund	Funds	Funds
<b>ASSETS</b>			
Cash	\$ 5,693,851	5,903,206	11,597,057
Property tax receivable	4,334,000	2,726,600	7,060,600
Accounts receivable (net of allowance for uncollectibles of \$3,400,205)		68,542	68,542
Fines receivable (net of allowance for uncollectibles of \$1,249,111)	50,427		50,427
Intergovernmental receivables	43,523	106,838	150,361
Other receivables	1,837		1,837
Due from other funds		22,232	22,232
Advances to other funds	118,250	473,534	591,784
Total Assets	\$ 10,241,888	9,300,952	19,542,840
<b>LIABILITIES</b>			
Liabilities:			
Claims payable	\$ 296,082	144,674	440,756
Intergovernmental payables	127,066		127,066
Due to other funds	22,232		22,232
Advances from other funds	73,534	518,250	591,784
Amounts held in custody for others	51,177		51,177
Total Liabilities	\$ 570,091	662,924	1,233,015
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable revenue - property taxes	4,334,000	2,726,600	7,060,600
Unavailable revenue - sanitation fees		68,542	68,542
Unavailable revenue - fines	50,427		50,427
Total Deferred Inflows of Resources	\$ 4,384,427	2,795,142	7,179,569
<b>Fund balances:</b>			
Nonspendable:			
Advances	118,250		118,250
Restricted for:			
Public safety		1,058,119	1,058,119
Public works		321,508	321,508
Debt service		511,887	511,887
Unassigned	5,169,120	3,951,372	9,120,492
Total Fund Balances	\$ 5,287,370	5,842,886	11,130,256
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 10,241,888	9,300,952	19,542,840

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

## HUMPHREYS COUNTY

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

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 11,130,256
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 \$49,469,914.	31,612,121
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	118,969
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(4,931,388)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(8,124,215)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(32,557)
Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	2,918,253
Deferred inflows of resources related to pensions	<u>(2,939,904)</u>
Total Net Position - Governmental Activities	\$ <u>29,751,535</u>

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

## HUMPHREYS COUNTY

Exhibit 4

## Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

For the Year Ended September 30, 2021

	Major Fund	Other	Total
	General	Governmental	Governmental
	Fund	Funds	Funds
REVENUES			
Property taxes	\$ 5,885,869	3,640,010	9,525,879
Road and bridge privilege taxes		83,557	83,557
Licenses, commissions and other revenue	86,507	2,622	89,129
Fines and forfeitures	127,024		127,024
Intergovernmental revenues	697,789	2,616,058	3,313,847
Charges for services	3,071	245,070	248,141
Interest income	22,721	14,540	37,261
Miscellaneous revenues	139,356	45,488	184,844
Total Revenues	<u>6,962,337</u>	<u>6,647,345</u>	<u>13,609,682</u>
EXPENDITURES			
Current:			
General government	4,042,094		4,042,094
Public safety	2,280,288	278,439	2,558,727
Public works	13,445	4,490,112	4,503,557
Health and welfare	102,505		102,505
Culture and recreation	44,800	11,379	56,179
Conservation of natural resources	115,432		115,432
Economic development and assistance	1,833		1,833
Debt service:			
Principal	19,372	709,056	728,428
Interest	2,336	91,159	93,495
Total Expenditures	<u>6,622,105</u>	<u>5,580,145</u>	<u>12,202,250</u>
Excess of Revenues over (under) Expenditures	<u>340,232</u>	<u>1,067,200</u>	<u>1,407,432</u>
OTHER FINANCING SOURCES (USES)			
Long-term capital debt issued	2,635,000	574,342	3,209,342
Transfers in		2,500,000	2,500,000
Transfers out	(2,500,000)		(2,500,000)
Total Other Financing Sources and Uses	<u>135,000</u>	<u>3,074,342</u>	<u>3,209,342</u>
Net Changes in Fund Balances	<u>475,232</u>	<u>4,141,542</u>	<u>4,616,774</u>
Fund Balances - Beginning, as previously reported	4,773,704	1,701,344	6,475,048
Fund reclassification	38,434		38,434
Fund Balances - Beginning, as restated	<u>4,812,138</u>	<u>1,701,344</u>	<u>6,513,482</u>
Fund Balances - Ending	<u>\$ 5,287,370</u>	<u>5,842,886</u>	<u>11,130,256</u>

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

## HUMPHREYS 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	\$ 4,616,774
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlays of \$1,703,676 exceeded depreciation of \$707,028 in the current period.	996,648
Fine revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	9,576
Solid waste revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	(12,485)
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt proceeds of \$3,209,342 exceeded debt repayments of \$728,428.	(2,480,914)
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:	
Change in compensated absences	(166,187)
Change in accrued interest payable	(2,437)
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	(1,328,033)
Recording of contributions made during the year	662,666
Change in Net Position of Governmental Activities	\$ <u>2,295,608</u>

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

HUMPHREYS COUNTY  
Statement of Fiduciary Net Position  
September 30, 2021

Exhibit 5

		Custodial Funds
ASSETS		
Cash	\$	412,998
Total Assets	\$	412,998
NET POSITION		
Restricted for:		
Individuals, organizations and other governments	\$	412,998
Total net position		412,998

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

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

Exhibit 6

		<u>Custodial Funds</u>
ADDITIONS		
Licenses and fees collected for State	\$	<u>233,779</u>
Total Additions		<u>233,779</u>
DEDUCTIONS		
Payments of licenses and fees to State		<u>223,161</u>
Total Deductions		<u>223,161</u>
Net increase (decrease) in fiduciary net position		10,618
Net Position - Beginning		<u>402,380</u>
Net Position - Ending	\$	<u><u>412,998</u></u>

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

## HUMPHREYS COUNTY

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

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

##### A. Financial Reporting Entity.

Humphreys 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 Humphreys County to present these financial statements on the primary government and its component unit which has a significant operational or financial relationships with the County.

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

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

##### B. Individual Component Unit Disclosures

###### Discretely Presented Component Units

The component unit's column in the financial statements includes the financial data of the following component unit of the County. It is reported in a separate column to emphasize that it is legally separate from the County. All members of the governing body of this component unit are appointed by the County Board of Supervisors.

The Humphreys County Library is a public library designed to promote and develop adequate library services throughout Humphreys County that meet the general and specialized needs of the citizens of the County. The Board of Supervisors of Humphreys County appoints the five members of the Library's Board of Trustees.

##### C. Basis of Presentation.

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

###### Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information concerning the County as a whole. The statements include all nonfiduciary activities of the primary government and its component unit. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues.

The Statement of Net Position presents the financial condition of the governmental activities of the County at year-end. The Government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function or program of the County's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore, are clearly identifiable to a particular function. Program revenues

## HUMPHREYS COUNTY

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

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

#### 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.

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

The County reports the following major Governmental Fund:

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

Additionally, the County reports the following fund types:

#### GOVERNMENTAL FUND TYPES

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

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

Capital Projects Funds - These funds are used to account for and report financial resources that

## HUMPHREYS COUNTY

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

are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

#### FIDUCIARY FUND TYPE

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

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

#### G. Receivables.

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

#### H. Interfund Transactions and Balances.

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

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the (applicable) governmental activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure, which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital assets, other than infrastructure, costs have been estimated and the methods of estimation are not readily available. Donated capital assets are recorded at estimated fair market value at the time of donation. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are

# HUMPHREYS COUNTY

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

capitalized. Interest expenditures are not capitalized on capital assets.

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

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

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

### J. Deferred Outflows/Inflows of Resources.

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

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

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Deferred revenues – property taxes/unavailable revenue – property taxes – Deferred inflows of resources should be reported when resources associated with imposed nonexchange revenue transactions are received or reported as a receivable before the period for which property taxes are levied.

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

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

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

## HUMPHREYS COUNTY

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

#### K. Long-term Liabilities.

Long-term liabilities are the unmatured principal of bonds, loans, notes or other forms of noncurrent or long-term general obligation indebtedness. Long-term liabilities are not limited to liabilities from debt issuances, but may also include liabilities on lease-purchase agreements and other commitments.

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities, Statement of Net Position.

In the fund financial statements, the face amount of the debt issued is reported as other financing sources.

#### L. Pensions.

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

#### M. Compensated Absences.

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

#### N. Equity Classifications.

Government-wide Financial Statements:

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

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

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, and unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the County's general policy to spend committed resources first,

## HUMPHREYS COUNTY

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

followed by assigned amounts, and then unassigned amounts.

#### Fund Financial Statements:

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

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

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

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

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

#### Fund Balance Flow Assumption:

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

#### O. Property Tax Revenues:

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

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

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

## HUMPHREYS COUNTY

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

revenue in the year for which they are levied. Motor vehicle and mobile home taxes do not meet the measurability and collectability criteria for property tax recognition because the lien and due date cannot be established until the date of original purchase occurs.

P. Intergovernmental Revenues in Governmental Funds.

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

Q. Changes in Accounting Standards.

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

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

(2) Fund Reclassification (Accounting Change).

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

**Exhibit 2 - Statement of Activities.**

Explanation	Amount
To reclassify agency funds to the General Fund for the implementation of GASB 84	\$ <u>38,434</u>

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

Explanation	Amount
To reclassify agency funds to the General Fund for the implementation of GASB 84	\$ <u>38,434</u>

(3) Prior Period Adjustment.

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

HUMPHREYS COUNTY

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

**Exhibit 2 - Statement of Activities.**

Explanation	Amount
To correct capital assets	\$ <u>103,496</u>

(4) Deposits.

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2021, was \$12,010,055, and the bank balance was \$12,285,916. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, *Mississippi Code of 1972 Annotated*. Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

(5) Interfund Transactions and Balances.

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

A. Due From/To Other Funds:

Receivable Fund	Payable Fund	Amount
Other Governmental Funds	General Fund	<u>22,232</u>
		\$ <u>22,232</u>

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

B. Advances from/to Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 118,250
Other Governmental Funds	General Fund	73,534
Other Governmental Funds	Other Governmental Funds	<u>400,000</u>
Total		\$ <u>591,784</u>

The receivables represent interfund loans made in prior years and not repaid within one year.

HUMPHREYS COUNTY

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

C. Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Other Governmental Funds	General Fund	\$ <u>2,500,000</u>

The inter-fund transfers were made to distribute bond proceeds to other funds.

(6) Intergovernmental Receivables.

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

<u>Governmental Activities:</u>	<u>Receivables</u>
Legislative Credit	\$ 36,822
Truck and Bus Privilege Tax	8,151
Additional Privilege Tax	2,570
Insurance Premium Distribution	30,384
State Aid Road	26,624
Gas Tax	45,810
Total	\$ <u>150,361</u>

(7) Loans Receivable.

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

<u>Description</u>	<u>Date of Loan</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Receivable Balance</u>
Promissory Note from chancery clerk	3/1/2015	0%	11/15/2019	\$ 81,720
Less: allowance for uncollectibles				(81,720)
Total				\$ <u>-</u>

(8) Capital Assets.

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

# HUMPHREYS COUNTY

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

	Balance				Balance
Governmental activities:	Oct. 1, 2020	Additions	Deletions	Adjustments	Sept. 30, 2021
Non-depreciable capital assets:					
Land	\$ 190,513				190,513
Construction in progress	1,907,446	912,502		(1,784,209)	1,035,739
Total Non-depreciable capital assets	2,097,959	912,502	-	(1,784,209)	1,226,252
Depreciable capital assets:					
Infrastructure	64,391,322			1,887,707	66,279,029
Buildings	5,634,558				5,634,558
Improvements other than buildings	1,567,103				1,567,103
Mobile equipment	3,950,308	496,609		102,979	4,549,896
Furniture and equipment	1,396,033	83,665			1,479,698
Leased property under capital leases	237,578	210,900		(102,979)	345,499
Total depreciable capital assets	77,176,902	791,174	-	1,887,707	79,855,783
Less accumulated depreciation for:					
Infrastructure	40,595,587	440,690			41,036,277
Buildings	2,435,640	82,988			2,518,628
Improvements other than buildings	764,063	62,684			826,747
Mobile equipment	3,535,401	56,680		37,072	3,629,153
Furniture and equipment	1,377,090	23,630			1,400,720
Leased property under capital leases	55,105	40,356		(37,072)	58,389
Total accumulated depreciation	48,762,886	707,028	-	-	49,469,914
Total depreciable capital assets, net	28,414,016	84,146	-	1,887,707	30,385,869
Governmental activities capital assets, net	\$ 30,511,975	996,648	-	103,498	31,612,121

Adjustments made are to reclassify completed construction in progress to infrastructure and matured capital leases and correct prior year balances.

Depreciation expense was charged to the following functions:

	Amount
Governmental Activities:	
General Government	\$ 10,659
Public Safety	23,860
Public Works	626,591
Health and Welfare	35,297
Culture & Recreation	10,621
Total governmental activities depreciation expense	\$ 707,028

# HUMPHREYS COUNTY

## Notes to 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
State aid road infrastructure	Undetermined	Undetermined

### Humphreys County Library System - Component Unit

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

COMPONENT UNIT	Balance Oct. 1, 2020	Additions	Deletions	Balance Sept. 30, 2021
Governmental activities:				
Depreciable capital assets:				
Library collection	\$ 382,093	604		382,697
Furniture and equipment	5,146			5,146
Total depreciable capital assets	387,239	604	-	387,843
Less accumulated depreciation for:				
Library collection	372,903	121		373,024
Furniture and equipment	4,076	1,019		5,095
Total accumulated depreciation	376,979	1,140	-	378,119
Total depreciable capital assets, net	\$ 10,260	(536)	-	9,724

Depreciation expense above is charged to the governmental activities function of Operations.

### (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.

# HUMPHREYS COUNTY

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

### (10) Capital Leases.

As Lessee:

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

<u>Classes of Property</u>	<u>Governmental Activities</u>
Mobile equipment	\$ 345,499
Less: Depreciation	(58,389)
Leased Property Under Capital Leases	<u>\$ 287,110</u>

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

<u>Year Ending September 30,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 70,609	7,573
2023	61,851	5,763
2024	63,715	3,900
2025	63,781	1,980
2026	33,617	408
Total	<u>\$ 293,573</u>	<u>19,624</u>

### (11) Long-term Debt.

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

HUMPHREYS COUNTY

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

Description and Purpose	Amount Outstanding	Interest Rate	Maturity Date
Governmental Activities:			
A. General Obligation Bonds			
2014 GO Bond Public Improvements	\$ 405,000	2.7-3.0	05-24
2015 GO Bond Non-Capital	662,000	2.98	06-23
2016 GO Bond Cap. Improvements	133,600	2.00	11-21
2021 Special Obligation Bonds	2,635,000	1.75	03-36
Total General Obligation Bonds	<u>\$ 3,835,600</u>		
B. Capital Leases:			
Kubota MaS-111SHHdc Tractor	\$ 10,567	0.00	09-22
Sheriff's Office - 3 2020 Chevy Tahoes	81,941	3.11	08-25
2021 Cat 140 motor grader	201,065	2.9035	06-26
Total Capital Leases	<u>\$ 293,573</u>		
C. Other Loans:			
Kubota M8540	\$ 9,838	4.48	04-22
John Deere Tractor	25,757	5.27	03-23
2018 Bush Hog Rotary Cutter	7,491	5.65	04-23
Health Complex	236,207	4.75	12-29
Beats 4 & 5 2021 Kenworth Dump Truck	132,263	2.83	12-25
Beat 1 2021 Kenworth W900L Tractor Truck	119,380	2.83	12-25
Beat 5 Equipment Note	67,737	3.00	10-26
Total Other Loans	<u>\$ 598,673</u>		

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

Governmental Activities:				
Year Ending September 30:	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2022	\$ 588,600	78,555	123,395	19,714
2023	472,000	62,314	106,611	15,520
2024	140,000	48,212	98,051	12,264
2025	200,000	44,362	101,256	9,089
2026	205,000	40,819	53,094	6,268
2027-2031	1,065,000	149,144	116,266	12,617
2032-2036	1,165,000	51,581	0	0
Total	<u>\$ 3,835,600</u>	<u>474,987</u>	<u>598,673</u>	<u>75,472</u>

## HUMPHREYS COUNTY

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

**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 4.48 percentage 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:

Governmental Activities:	Balance Oct. 1, 2020	Additions	Reductions	Balance Sept. 30, 2021	Amount due within one year
Compensated absences	\$ 37,355	166,187		203,542	
Other loans	337,083	363,442	101,852	598,673	123,395
General obligation bonds	1,776,200	2,635,000	575,600	3,835,600	588,600
Capital leases	133,649	210,900	50,976	293,573	70,609
Total	\$ 2,284,287	3,375,529	728,428	4,931,388	782,604

Compensated absences will be paid from the funds from which employees' salaries were paid which are generally the General Fund, Road Maintenance District Funds, Garbage and Solid Waste Fund and E-911 Fund.

#### **LONG TERM DEBT - COMPONENT UNIT**

##### **Humphreys County Library**

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

	Balance Oct. 1, 2020	Additions	Reductions	Balance Sept. 30, 2021
Compensated absences	\$ 2,436		420	2,016
Total	\$ 2,436	-	420	2,016

- (12) Other Postemployment Benefits.

#### **HUMPHREYS COUNTY COMPONENT UNIT – HUMPHREYS COUNTY LIBRARY**

##### **Other Postemployment Benefits (OPEB) General Information about the OPEB Plan.**

###### *Plan description.*

State law mandates that all state, public education, library, junior and community college and retiring employees be offered health and life benefit coverage through the State and School Employees' Life and Health Insurance Plan (the Plan). The Plan was established by Section 25-15-3 et seq., Mississippi Code Ann. (1972), which may be amended only by the State Legislature. The State and School Employees' Health Insurance Management Board (the Board) administers the Plan. The Board has the sole legal authority to promulgate rules and regulations governing the operations of the Plan within the confines of the law governing the Plan. The Plan is self-insured and is financed through premiums collected from employers, employees, retirees, and COBRA participants. The Plan provides for Other Postemployment Benefits (OPEB) as a multiple-employer defined benefit OPEB plan. The Plan issues a publicly available financial report that can be obtained at <http://knowyourbenefits.dfa.ms.gov/>.

## HUMPHREYS COUNTY

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

#### *Benefits provided.*

The Plan was formed by the State Legislature to provide group health and life benefits to full-time active and retired employees of the State, agencies, universities, community/junior colleges, public school districts and public libraries. In addition, the spouse and/or children of covered employees and retirees, as well as surviving spouses and COBRA participants, may be eligible for health insurance coverage under the Plan. Benefits of the OPEB Plan consist of an implicit rate subsidy, which is essentially the difference between the average cost of providing health care benefits to retirees under age 65 and the average cost of providing health care benefits to all participants when premiums paid by retirees are not age adjusted. Employees' premiums are funded primarily by their employers. Retirees must pay their own premiums, as do active employees for spouse and dependent medical coverage. The Board has the sole authority for setting life and health insurance premiums for the Plan. Per Section 12-15-15 (10) Mississippi Code Ann. (1972), a retired employee electing to purchase retiree life and health insurance must pay the full cost of such insurance premium. If the Board determined actuarially that the premium paid by the participating retirees adversely affects the overall cost of the Plan to the State, then the Board may impose a premium surcharge, not to exceed 15%, upon such participating retired employees who are under the age for Medicare eligibility and who are initially employed before January 1, 2006. For participating retired employees who are under the age for Medicare eligibility and who are initially employed on or after January 1, 2006, the Board may impose a premium surcharge in an amount the Board determined actuarially to cover the full cost of insurance. The Plan offers a Base option and a Select option for health benefits for non-Medicare participants. The Plan includes a separate coverage level for Medicare eligible retirees, Medicare Eligible surviving spouses, and Medicare eligible dependents of retirees and surviving spouses.

#### *Contributions.*

The Board has the sole authority for setting life and health insurance premiums for the Plan. The required premiums vary based on the plan selected and the type of participant. Employers pay no premiums for retirees while employees' premiums are funded primarily by their employer. The Library's contributions to the OPEB plan for the year ended September 30, 2021 were \$670.

#### **OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB**

At September 30, 2021, the Library reported a liability of \$16,686 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The basis for the Library's proportion is determined by comparing the employer's average monthly employees participating in the Plan with the total average employees participating in the Plan in the fiscal year of all employers. The allocation was utilized because the level of premiums contributed by each employer is the same for any employee regardless of plan participation elections made by the employee. At the measurement date of June 30, 2021, the Library's proportion was 0.00259224 percent. This was a decrease of 0.0001 percent from the proportionate share as of the measurement date of June 30, 2020.

For the year ended September 30, 2021 the Library recognized OPEB expense of (\$1,043). At September 30, 2021, the Library reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

# HUMPHREYS COUNTY

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18	5,217
Net difference between projected and actual earnings on OPEB plan investments	1	
Changes of assumptions	2,702	564
Changes in the proportion and differences between Library contributions and proportionate share contributions	3,056	3,144
Library Contributions subsequent to the measurement date	168	
	<u>\$ 5,945</u>	<u>8,925</u>

The \$168 reported as deferred outflows of resources related to OPEB resulting from the Library contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Deferred Outflows/Deferred Inflows Aging:	
Year ending September 30:	Amount
2022	\$ (853)
2023	(910)
2024	(390)
2025	(460)
2026	(535)
Total	<u>\$ (3,148)</u>

*Actuarial assumptions.* The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial valuation date	June 30, 2021
Measurement date	June 30, 2021
Experience study date	April 20, 2021
Actuarial cost method	Entry Age Normal
Inflation rate	2.40%
Salary increases	2.65-17.90%
Long-term expected rate of return	4.50%
Discount rate	2.19%
Projected cash flows	N/A
Retiree health care participation	50%
Health care cost trend rates	6.50% decreasing to 4.50% by 2030

# HUMPHREYS COUNTY

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

Actuarial valuations of an ongoing plan involve estimates of the value of projected benefits and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision, as actual results are compared to past expectations and new estimates are made about the future. Mortality rates will be projected generationally using the MP-2018 projection scale to account for future improvements in life expectancy.

Mortality rates for service retirees 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% from ages 61 to 75, and 101% for ages above 77, and for females, 84% of female rates up to age 72, and 100% for ages above 76. Mortality rates for disability retiree were base on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were base 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 long-term expected rate of return, net of OPEB plan investment expense, including inflation was 4.50%.

The discount rate used to measure the total OPEB liability at June 30, 2021 was based on an average of the Bond Buyer General Obligation 20-year Municipal Bond Index Rates during the month of June published at the end of each week by the Bond Buyer.

Since the trust had only \$1,044,000 as of June 30, 2021, the Plan was projected to be depleted immediately, in 2021.

### *Sensitivity of the Library's proportionate share of the net OPEB liability to changes in the discount rate.*

The following presents the Library's proportionate share of the net OPEB liability, as well as what the Library's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.13 percent) or 1-percentage-point higher (3.13 percent) than the current discount rate:

	1% Decrease 1.13%	Discount Rate 2.13%	1% Increase 3.13%
Net OPEB Liability	\$ 18,469	16,686	15,166

*Sensitivity of the Library's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates.* The following presents the Library's proportionate share of the net OPEB liability, as well as what the Library's proportionate share of the net 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:

	Healthcare Cost Trend Rates		
	1% Decrease	Current	1% Increase
Net OPEB Liability	\$ 15,455	16,686	18,078

*OPEB plan fiduciary net position.* The fiduciary net position for the OPEB plan was \$0 as of June 30, 2021, the measurement date. Therefore, no separately issued financials were prepared. Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial report that can be found at <http://knowyourbenefits.dfa.ms.gov/>.

## HUMPHREYS COUNTY

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

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

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

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

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

Contributions. At September 30, 2021, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2021 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2021, 2020 and 2019 were \$662,666, \$567,864 and \$438,176, respectively, equal to the required contributions for each year.

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

At September 30, 2021, the County reported a liability of \$8,124,215 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2021 net pension liability was 0.0550 percent, which was based on a measurement date of June 30, 2021. This was an increase of 0.0085 percent from its proportionate share used to calculate the September 30, 2020 net

# HUMPHREYS COUNTY

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

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 \$1,328,033. At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 74,366	
Net difference between projected and actual earnings on pension plan investments		2,306,049
Changes of assumptions	631,880	
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	1,407,733	3,667
County contributions subsequent to the measurement date	174,086	
Total	\$ 2,288,065	2,309,716

\$174,086 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:

Deferred Outflows/Inflows Aging:	
Year ending September 30:	Amount
2022	\$ 294,390
2023	311,702
2024	(72,733)
2025	(729,096)
Total	\$ (195,737)

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,

## HUMPHREYS COUNTY

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

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

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

The long-term expected rate of return on pension plan investments was determined using a lognormal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	27.00 %	4.60 %
International Equity	22.00	4.50
Global Equity	12.00	4.80
Fixed Income	20.00	(0.25)
Real Estate	10.00	3.75
Private Equity	8.00	6.00
Cash Equivalents	1.00	\$ (1.00)
Total	<u>100.00 %</u>	

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

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

	1% Decrease 6.55%	Discount Rate 7.55%	1% Increase 8.55%
County's proportionate share of net pension liability	\$ 11,505,793	\$ 8,124,215	\$ 5,337,526

Pension Plan Fiduciary Net Position. Detailed information about the pension plan's fiduciary net position is

# HUMPHREYS COUNTY

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

available in the separately issued PERS financial report.

### **HUMPHREYS COUNTY COMPONENT UNIT – Humphreys County Library**

**Plan Description.** The Humphreys County Library contributes to the Public Employees Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan.

**Contributions.** The Library's contributions (employer share only) to PERS for the years ending September 30, 2021, 2020, and 2019 were \$9,666, \$10,201, and \$8,661, 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 Library reported a liability of \$133,615 for its proportionate share of the net pension liability. At June 30, 2021, the Library's proportion was 0.000904 percent. This was an increase of 0.00006 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 Library recognized pension expense of \$3,458. At September 30, 2021 the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,073	
Net difference between projected and actual earnings on investments	7,866	48,519
Changes of assumptions	10,262	
Changes in the proportion and differences between Library contributions and proportionate share contributions	12,833	1,586
Library Contributions subsequent to the measurement date	1,822	
	<u>\$ 34,856</u>	<u>50,105</u>

The \$1,822 reported as deferred outflows of resources related to pensions resulting from Library contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Deferred Outflows/Inflows Aging:	
Year ending September 30:	Amount
2022	\$ 1,235
2023	(2,538)
2024	(3,775)
2025	(11,993)
Total	<u>\$ (17,071)</u>

# HUMPHREYS COUNTY

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

### *Sensitivity to the Library's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

1% Decrease	Discount Rate	1% Increase
6.55%	7.55%	8.55%
\$ 189,230	\$ 133,615	\$ 87,784

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

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

Fund	Amount
USDA Ambulance Grant	\$ (71,204)
Law Library	(24,024)
District 1 Road Maintenance	(175,747)
District 4 Road Maintenance	(476,548)

#### (15) Contingencies.

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

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

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

The governmental activities' unrestricted net position amount of \$346,301 includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pensions in the amount of \$174,086 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 \$2,113,979 balance of the deferred outflows of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next 3 years. The \$2,309,716 balance of the deferred inflows of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next 4 years.

#### Humphreys County Library

The unrestricted net position deficit amount of \$(64,880) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from pensions and OPEB. The \$34,856 balance of the deferred outflow of resources from pensions at September 30, 2021 will be recognized as expenses and decrease unrestricted net position over the next 4 years. The \$5,945 balance of the deferred outflow of resources from OPEB at September 30, 2021 will be recognized as expenses and decrease unrestricted net position over the next 5 years.

## HUMPHREYS COUNTY

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

The unrestricted net position deficit amount of \$(64,880) includes the effect of deferring the recognition of revenue resulting from a deferred inflow from pensions and OPEB. The \$50,105 balance of the deferred inflow of resources from pensions at September 30, 2021 will be recognized as revenue and increase unrestricted net position over the next 4 years. The \$8,925 balance of the deferred inflow of resources from OPEB at September 30, 2021 will be recognized as revenue and increase unrestricted net position over the next 5 years.

#### (17) Joint Ventures.

The County participates in the following joint ventures:

The North Central Task Force consists of Carroll, Claiborne, Grenada, Holmes, Humphreys, Leflore, Quitman and Tunica Counties and the Cities of Itta Bena and Port Gibson. It is a multi-jurisdictional drug enforcement task force established to provide more widespread apprehension and possession of violators. The County did not appropriate any funds for support of the task force in fiscal year 2021.

#### (18) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Mississippi Delta Community College operates in a district composed of the Counties of Bolivar, Humphreys, Issaquena, Leflore, Sharkey, Sunflower and Washington. The Humphreys County Board of Supervisors appoints two of the 20 members of the college board of trustees. The County levied 1.00 mills for maintenance and 1.75 mills for support of the college in fiscal year 2021.

Region Six Mental Health/Mental Retardation Center/Life Help operates in a district composed of the counties of Attala, Carroll, Grenada, Holmes, Humphreys, Leflore, Montgomery and Sunflower. The Humphreys County Board of Supervisors appoints one of the eight members of the board of commissioners. The County appropriated \$23,200 to the entity in fiscal year 2021.

South Delta Planning and Development District operates in a district composed of the counties of Bolivar, Humphreys, Issaquena, Sharkey, Sunflower and Washington. The Humphreys County Board of Supervisors appoints one of the 22 members of the district board of directors. The County appropriated \$4,640 for the support of the district in fiscal year 2021.

The Yazoo-Mississippi Water Management District operates in a district composed of the counties of Bolivar, Carroll, Coahoma, DeSoto, Holmes, Humphreys, Issaquena, Leflore, Panola, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tunica, Washington and Yazoo. The Humphreys County Board of Supervisors appoints one of the 21 members of the district board of commissioners. The County appropriated \$42,420 for support of the district in fiscal year 2021.

#### (19) Tax Abatements.

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

The Humphreys County Board of Supervisors negotiates property tax abatements on an individual or entity basis with varying abatement periods. These abatements contribute to the economic development

# HUMPHREYS COUNTY

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

and citizenry of the County. The County had tax abatement agreements with one entity as of September 30, 2021.

The County had abatements under the following statute, which does not provide for the abatement of school or state tax levies: 27-31-105, Miss. Code (Ann.) 1972. All allowable property tax levies:

Category	Fiscal Year 2021	
	% of Taxes Abated	Amount of Taxes Abated
Additions, expansions or equipment replacement	86%	\$ 22,409

### (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 Humphreys County evaluated the activity of the County through April 21, 2024, and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements.

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

Issue Date	Interest Rate	Issue Amount	Type of Financing	Source of Financing
12/15/2021	2.99%	62,755	Capital Lease	Ad valorem taxes
9/28/2022	2.83%	125,936	Equipment Loan	Ad valorem taxes
10/18/2022	4.00%	187,310	Equipment Loan	Ad valorem taxes
10/18/2022	4.00%	140,560	Equipment Loan	Ad valorem taxes
11/30/2022	6.00%	187,310	Equipment Loan	Ad valorem taxes
1/9/2023	6.00%	187,310	Equipment Loan	Ad valorem taxes

## HUMPHREYS COUNTY

### REQUIRED SUPPLEMENTARY INFORMATION

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

**UNAUDITED**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Property taxes	\$ 4,655,000	5,893,338	5,893,338	-
Licenses, commissions and other revenue	80,100	86,647	86,647	-
Fines and forfeitures	86,000	137,432	137,432	-
Intergovernmental revenues	369,200	537,825	537,825	-
Charges for services	10,000	3,071	3,071	-
Interest income	10,000	23,394	23,394	-
Miscellaneous revenues	170,000	292,619	292,619	-
Total Revenues	<u>5,380,300</u>	<u>6,974,326</u>	<u>6,974,326</u>	<u>-</u>
<b>EXPENDITURES</b>				
General government	3,823,105	3,675,025	3,675,025	-
Public safety	2,063,484	2,251,234	2,251,234	-
Public works	25,000	13,445	13,445	-
Health and welfare	108,000	104,256	104,256	-
Culture and recreation	43,000	44,800	44,800	-
Conservation of natural resources	110,260	112,458	112,458	-
Economic development and assistance	2,000	2,000	2,000	-
Debt service:				
Principal paid	0	19,423	19,423	-
Interest paid	0	2,825	2,825	-
Capital projects				
Total Expenditures	<u>6,174,849</u>	<u>6,225,466</u>	<u>6,225,466</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>(794,549)</u>	<u>748,860</u>	<u>748,860</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer-in				-
Transfer-out		(2,719,586)	(2,719,586)	-
Total Other Financing Sources and Uses		<u>(2,719,586)</u>	<u>(2,719,586)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<b>(794,549)</b>	<b>(1,970,726)</b>	<b>(1,970,726)</b>	<b>-</b>
Fund Balance - Beginning	<u>794,549</u>	<u>1,828,144</u>	<u>1,828,144</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 0</u>	<u>(142,582)</u>	<u>(142,582)</u>	<u>-</u>

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

**Humphreys 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**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Humphreys County</b>								
County's proportion of the net pension liability (asset)	0.0550%	0.0465%	0.0415%	0.0396%	0.0376%	0.0353%	0.0362%	0.0347%
County's proportionate share of the net pension liability (asset)	\$ 8,124,215	\$ 9,005,925	\$ 7,300,669	\$ 6,586,657	\$ 6,250,397	\$ 6,305,461	\$ 5,595,806	\$ 4,211,945
County's covered payroll	3,808,419	3,034,151	2,702,128	2,526,380	2,409,124	2,255,494	2,265,291	2,128,229
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	213.32%	296.82%	270.18%	260.72%	259.45%	279.56%	247.02%	197.91%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.98%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%
<b>COMPONENT UNIT</b>								
<b>Humphreys County Library</b>								
Library's proportion of the net pension liability (asset)	0.000904%	0.000843%	0.000862%	0.000741%	0.001005%	0.000912%	0.000931%	
Library's proportionate share of the net pension liability (asset)	\$ 133,615	\$ 163,195	\$ 151,643	\$ 123,249	\$ 167,064	\$ 162,905	\$ 139,122	
Library's covered payroll	58,626	53,977	49,746	47,340	64,502	58,311	59,130	
Library's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	227.91%	302.34%	304.83%	260.35%	259.01%	279.37%	235.28%	
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.98%	61.59%	62.54%	61.49%	57.47%	61.70%	

\*The amounts presented for each fiscal year were determined as of the measurement date of June 30 prior to 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.

**Humphreys County**  
**Schedule of County Contributions - PERS**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2021**

**UNAUDITED**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Humphreys County</b>							
Contractually required contribution	\$ 662,666	\$ 567,864	\$ 438,176	\$ 407,430	\$ 384,319	\$ 357,584	\$ 356,783
Contributions in relation to the contractually required contribution	<u>662,666</u>	<u>567,864</u>	<u>438,176</u>	<u>407,430</u>	<u>384,319</u>	<u>357,584</u>	<u>356,783</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 3,808,419	\$ 3,263,583	\$ 2,710,738	\$ 2,586,862	\$ 2,440,105	\$ 2,270,366	\$ 2,265,291
Contributions as a percentage of covered payroll	17.40%	17.40%	16.16% **	15.75%	15.75%	15.75%	15.75%
<b>COMPONENT UNIT</b>							
<b>Humphreys County Library</b>							
Contractually required contribution	\$ 9,666	\$ 10,201	\$ 8,661	\$ 7,835	\$ 9,720	\$ 9,704	\$ 9,251
Contributions in relation to the contractually required contribution	<u>9,666</u>	<u>10,201</u>	<u>8,661</u>	<u>7,835</u>	<u>9,720</u>	<u>9,704</u>	<u>9,251</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Library's covered payroll	\$ 55,552	\$ 58,626	\$ 53,977	\$ 49,746	\$ 61,714	\$ 61,613	\$ 58,737
Contributions as a percentage of covered payroll	17.40%	17.40%	16.05% **	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.

\*\*Beginning July 1, 2019, the employer rate increased from 15.75% to 17.40%.

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

**HUMPHREYS COUNTY**  
**Schedule of Proportionate Share of the Net OPEB Liability**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2021**

**UNAUDITED**

**Humphreys County Library**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Library's proportion of the net OPEB liability	0.00259224%	0.00270143%	0.00263098%	0.00217014%
Library's proportionate share of the net OPEB liability	\$ 16,686	\$ 21,023	\$ 22,235	\$ 16,786
Library's covered-employee payroll	58,626	53,977	49,746	47,340
Library's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	28.462%	38.948%	44.697%	35.458%
Plan fiduciary net position as a percentage of the total OPEB liability	0.16193%	0.13308%	0.11983%	0.12911%

\*The amounts presented for each fiscal year were determined as of the measurement date of June 30 prior to the fiscal year presented. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10 year trend is compiled, the Library 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.

**HUMPHREYS COUNTY**  
**Schedule of Contributions OPEB**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2021**

**UNAUDITED**

**Humphreys County Library**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Actuarially determined contribution	\$ 670	838	895	748
Contributions in relation to the actuarially determined contribution	670	838	895	748
Contribution deficiency (excess)	\$ -	-	-	-
Covered employee payroll	\$ 55,552	58,626	53,977	49,746
Contributions as a percentage of covered employee payroll	1.2061%	1.4294%	1.6581%	1.5036%

\*This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 75 was implemented for the fiscal year ended September 30, 2018, and, until, a full 10 year trend is compiled, the Library 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.

## HUMPHREYS COUNTY

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

#### A. Budgetary Information.

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

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

#### B. Basis of Presentation.

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

	<u>General Fund</u>
Budget (Cash Basis)	\$ (1,970,726)
Increase (Decrease)	
Net adjustments for revenue accruals	123,011
Net adjustments for expenditure accruals	2,322,947
GAAP Basis	<u>\$ 475,232</u>

#### Pension Schedules

##### A. Changes of assumptions.

###### 2015

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

## HUMPHREYS COUNTY

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

2015.

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

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

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

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

2016

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

2017

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

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

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

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

2019

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

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

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

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

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

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

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

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

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.

## HUMPHREYS COUNTY

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

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

#### 2021

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

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

For females, 84% of female rates up to age 72, 100% for ages above 76.

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

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

For males, 134% of male rates at all ages.

For females, 121% of female rates at all ages.

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

The expectation of contingent annuitant mortality was based on the PubS.H-2010(B)

Contingent Annuitant Table with the following adjustments:

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

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

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

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

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

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

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

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

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

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

#### B. Changes in benefit provisions.

##### 2016

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

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

# HUMPHREYS COUNTY

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

determine the most recent contribution rate reported in that schedule:

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

### OPEB Schedules

#### (1) *Changes of assumptions*

2018: The discount rate was changed from 3.56% for the prior Measurement Date to 3.89% for the current Measurement Date.

2019: The SEIR was changed from 3.89% for the prior Measurement Date to 3.50% for the current Measurement Date.

2020: The SEIR was changed from 3.50% for the prior Measurement Date to 2.19% for the current Measurement Date.

#### (2) *Changes in benefit provisions*

2018: None

2019: None

2020: The schedule of monthly retiree contributions was increased as of January 1, 2021. In addition, the deductibles and coinsurance maximums were increased for the Select coverage and the coinsurance maximums were increased for the Base Coverage beginning January 1, 2021.

#### (3) *Methods and assumptions used in calculations of Actuarially Determined Contributions.* The Actuarially Determined Contributions rates, as a percentage of payroll, used to determine the Actuarially Determined Contribution amounts in the Schedule of Employer Contributions are calculated as of the most recent Valuation Date. The following actuarial methods and assumptions (from the June 30, 2019 actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2020:

Actuarial cost method	Entry age
Amortization method	Level dollar
Amortization period	30 years, open
Asset valuation method	Market Value of Assets
Price inflation	2.75%
Salary increases, including wage inflation	3.00% to 18.25%
Initial health care cost trend rates	
Medicare Supplement Claims Pre-Medicare	7.00%
Ultimate health care cost trend rates	

# HUMPHREYS COUNTY

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

Medicare Supplement Claims Pre-Medicare	4.75%
Year of ultimate trend rates Medicare Supplement Claims Pre-Medicare	2028
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	3.50%

## HUMPHREYS COUNTY

## OTHER INFORMATION

**Humphreys County**  
**Schedule of Surety Bonds for County Officials (Unaudited)**  
**For the Year Ended September 30, 2021**  
**UNAUDITED**

<b>Name</b>	<b>Position</b>	<b>Surety Company</b>	<b>Bond Amount</b>
James Bankhead	Supervisor, District 1	Western Surety Company	100,000
James Bankhead	Supervisor, District 1	Western Surety Company	100,000
Richard D Stevens	Supervisor, District 2	Western Surety Company	100,000
Woodrow Johnson	Supervisor, District 3	Western Surety Company	100,000
Woodrow Johnson	Supervisor, District 3	Western Surety Company	100,000
Delrick Henderson	Supervisor, District 4	Western Surety Company	100,000
Roy Broomfield	Supervisor, District 5	Western Surety Company	100,000
Roy Broomfield	Supervisor, District 5	Western Surety Company	100,000
Mack Liddell, Jr	Purchasing Clerk	Western Surety Company	75,000
Mack Liddell, Jr	Purchasing Clerk	Western Surety Company	75,000
Mack Liddell, Jr	Chancery Clerk	Western Surety Company	100,000
Mack Liddell, Jr	Chancery Clerk	Western Surety Company	100,000
Calvin Ball	Receiving Clerk	Western Surety Company	75,000
Calvin Ball	Receiving Clerk	Western Surety Company	75,000
Clinton Chin	Assistant Receiving Clerk	Western Surety Company	25,000
Marvin Edwards	Assistant Receiving Clerk	Western Surety Company	25,000
Marvin Edwards	Assistant Receiving Clerk	Western Surety Company	25,000
Dimp Powell	Assistant Receiving Clerk	Western Surety Company	25,000
Reggie Pinkston	Assistant Receiving Clerk	Western Surety Company	25,000
Teresa Williams	Assistant Receiving Clerk	Western Surety Company	25,000
Teresa Williams	Assistant Receiving Clerk	Western Surety Company	25,000
James Rodgers	Assistant Receiving Clerk	Western Surety Company	25,000
James Rodgers	Assistant Receiving Clerk	Western Surety Company	25,000
Jeanette Randle	Inventory Control Clerk	Western Surety Company	50,000
Ganon Coates	Inventory Control Clerk	Western Surety Company	50,000
Andrew Lee Dent	Constable	Western Surety Company	50,000
Andrew Lee Dent	Constable	Western Surety Company	50,000
Bruce Williams	Constable	Western Surety Company	50,000
Bruce Williams	Constable	Western Surety Company	50,000
Charles Sharkey	Sheriff	Western Surety Company	100,000
Charles Sharkey	Sheriff	Western Surety Company	100,000
Timaka James Jones	Circuit Clerk	Western Surety Company	100,000
Lacreshia Pool	Deputy Circuit Clerk	Western Surety Company	50,000
Chivalian Pool	Deputy Circuit Clerk	Western Surety Company	50,000
Vernetta Washington	Deputy Circuit Clerk	Western Surety Company	50,000
Vernetta Washington	Deputy Circuit Clerk	Western Surety Company	50,000
Shirley Brown Cummings	Justice Court Judge	Western Surety Company	50,000
Shirley Brown Cummings	Justice Court Judge	Western Surety Company	50,000
Abraham Gates	Justice Court Judge	Western Surety Company	50,000
Abraham Gates	Justice Court Judge	Western Surety Company	50,000
Sandra Overton	Justice Court Clerk	Travelers	50,000
Akeitha Smith	Deputy Justice Court Clerk	Western Surety Company	50,000
Akeitha Smith	Deputy Justice Court Clerk	Western Surety Company	50,000
Marva Gardner	Deputy Justice Court Clerk	Western Surety Company	50,000
Marva Gardner	Deputy Justice Court Clerk	Western Surety Company	50,000
Veda Horton	Tax Assessor/Collector	Western Surety Company	100,000
Veda Horton	Tax Assessor/Collector	Western Surety Company	100,000
Karen Winstead	Deputy Tax Assessor	Western Surety Company	50,000
Schardell Dent	Deputy Tax Collector	Western Surety Company	50,000
Schardell Dent	Deputy Tax Collector	Western Surety Company	50,000
April Morgan	Deputy Tax Collector	Western Surety Company	50,000
April Morgan	Deputy Tax Collector	Western Surety Company	50,000
Teresa Kirkwood	Deputy Tax Collector	Western Surety Company	50,000
Norma Quinn	Deputy Tax Collector	Western Surety Company	50,000

## HUMPHREYS COUNTY

### SPECIAL REPORTS



DAVID I. BRIDGERS, JR., CPA  
L. KARL GOODMAN, CPA, MBA  
WILLIAM F. BAIRD, CPA  
EUGENE S. CLARKE, IV, CPA  
DAVID E. CLARKE, CPA

3528 MANOR DRIVE  
VICKSBURG, MISSISSIPPI 39180

PHONE: (601) 636-1416  
FAX: (601) 636-1417

MEMBERS OF  
MISSISSIPPI SOCIETY OF CPAs  
AMERICAN INSTITUTE OF CPAs  
GOVERNMENT AUDIT QUALITY CENTER

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  
Humphreys County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Humphreys 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 April 21, 2024. We did not audit the financial statements of the Humphreys County Library, component unit, which represents 100 percent of the assets, net position and revenues of the aggregate discretely presented component unit column. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aforementioned component unit, is based solely on the reports of the other auditors. This report does not include the results of the other auditor's testing of internal controls over financial reporting or 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 Humphreys County, Mississippi's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Humphreys County, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Humphreys County, Mississippi's financial statements

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

We noted certain matters that we reported to the management of Humphreys County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report dated April 21, 2024, included within this document.

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

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

### **Purpose of this Report**

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

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

April 21, 2024



DAVID I. BRIDGERS, JR., CPA  
L. KARL GOODMAN, CPA, MBA  
WILLIAM F. BAIRD, CPA  
EUGENE S. CLARKE, IV, CPA  
DAVID E. CLARKE, CPA

3528 MANOR DRIVE  
VICKSBURG, MISSISSIPPI 39180

PHONE: (601) 636-1416  
FAX: (601) 636-1417

MEMBERS OF  
MISSISSIPPI SOCIETY OF CPAs  
AMERICAN INSTITUTE OF CPAs  
GOVERNMENT AUDIT QUALITY CENTER

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  
Humphreys County, Mississippi

We have examined Humphreys 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 Humphreys 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 Humphreys 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. Public Officials Should Establish and Maintain Internal Control and Compliance with Public Purchasing Laws.

**Repeat Finding** Yes; 2020-1

**Criteria** The County is responsible for complying with the requirements of the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws; Title 31, Chapter 7.

**Condition** The County failed to comply with the State of Mississippi Policies and Procedures with reference to the 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:

- Twelve (12) instances where a purchase requisition was not signed by the properly authorized individual
- Seventeen (17) instances where no competitive bid or second quote was obtained for an expenditure of greater than \$5,000
- Three (3) instances where no purchasing documentation could be located
- Three (3) instances where purchase requisition and/or purchase order were not dated

<b>Cause</b>	The County has failed to establish and maintain an adequate internal control system to ensure compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Title 31, Chapter 7.
<b>Effect</b>	The County is not in compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Title 31, Chapter 7.
<b>Recommendation</b>	The County should establish and maintain an adequate internal control system which would ensure that the County is in compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Title 31, Chapter 7.
<b>View of Responsible Official(s)</b>	The Purchase Clerk has reviewed the findings and will comply with State Statutes.

#### **Inventory Control Clerk.**

<b>2.</b>	<u>Public Officials should ensure that fixed assets are properly recorded and depreciated.</u>
<b>Repeat Finding</b>	Yes; 2020-002
<b>Criteria</b>	Generally accepted accounting principles require that fixed assets be recorded, capitalized, and depreciated.
<b>Condition</b>	The Inventory Control Clerk was not recording assets purchased and disposed of in the County's records, which in turn caused the County to be unable to record depreciation.
<b>Cause</b>	The County has failed to implement controls to ensure that fixed assets are properly recorded, capitalized, and depreciated in accordance with U.S. GAAP.
<b>Effect</b>	The failure to properly record capital asset transactions is a departure from generally accepted accounting principles and could result in a misstatement of the financial statements due to inaccuracies in fixed assets and their depreciation.
<b>Recommendation</b>	The Inventory Control Clerk should implement controls to ensure that fixed assets are properly recorded and depreciated in accordance with U.S. GAAP.
<b>View of Responsible Official(s)</b>	No response was provided for this finding.

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

Humphreys County's responses to the findings included in this report were not audited, and accordingly, we express

no opinion on them.

This report is intended for use in evaluating Humphreys 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

April 21, 2024

HUMPHREYS COUNTY  
Schedule of Purchases Not Made From the Lowest Bidder  
For the Year Ended September 30, 2021

Schedule 1

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

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

Schedule 2

Our test results did not identify any emergency purchases.

HUMPHREYS COUNTY

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

Schedule 3

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



DAVID I. BRIDGERS, JR., CPA  
L. KARL GOODMAN, CPA, MBA  
WILLIAM F. BAIRD, CPA  
EUGENE S. CLARKE, IV, CPA  
DAVID E. CLARKE, CPA

3528 MANOR DRIVE  
VICKSBURG, MISSISSIPPI 39180

PHONE: (601) 636-1416  
FAX: (601) 636-1417

MEMBERS OF  
MISSISSIPPI SOCIETY OF CPAs  
AMERICAN INSTITUTE OF CPAs  
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## LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors  
Humphreys County, Mississippi

In planning and performing our audit of the financial statements of Humphreys County, Mississippi for the year ended September 30, 2021, we considered Humphreys 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 Humphreys 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 April 21, 2024, on the financial statements of Humphreys 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.	<u>List of employees authorized to issue requisitions and receiving reports.</u>
Repeat Finding	Yes; 2020-2
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.

**View of Responsible Official(s)** The Board of Supervisors will comply with this statute.

**2.** Public Officials and Employees should ensure compliance with state law over surety bonding requirements.

**Repeat Finding** Yes; 2020-3

**Criteria** *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."

**Condition** During the course of our testing we noted the following instances of non-compliance:

- The Purchase Clerk was not bonded for the statutorily required amount
- Eight (8) Assistant Receiving Clerks were not bonded for the statutorily required amount
- The Inventory Control Clerk was not bonded for the statutorily required amount
- The Sheriff, one (1) Justice Court Judge, the Tax Assessor/Collector, and Two (2) Assistant Receiving Clerks had a continuation certificate only
- One (1) Justice Court Judge, Two (2) Deputy Tax Collectors, and One (1) Deputy Tax Assessor had indefinite bonds
- One (1) Deputy Circuit Clerk was not bonded for the period

**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.

**Recommendation** We recommend that the Board of Supervisors implement procedures to ensure that officials and employees are bonded according to State Law.

**View of Responsible Official(s)** The Board of Supervisors is now ensuring that all officials are bonded according to State Law.

**3.** Public Officials Should Ensure Compliance with State Law over Publication of Bids for its Depository.

**Repeat Finding** Yes; 2020-4

**Criteria** *Section 27-105-305, Mississippi Code Annotated (1972)*, requires the County to advertise for bids at least every two years for depositories.

**Condition** During the course of our test work, we were unable to locate a current notice, acceptance, and approval of bids for the County depository. The last time this was done was in March of 2016.

**Cause** The Board of Supervisors did not advertise and bid out the county depository within the statutorily prescribed period.

**Effect** Failure to advertise for the County's depository resulted in non-compliance with *Mississippi Code Section 27-105-305*.

**Recommendation** The Board should ensure publication of notice for bids for the County's depository every two years as required by State law.

**View of Responsible Official(s)** The Board of Supervisors has complied.

4. All Supervisors must Inspect the Roads and Bridges and Attest to the Clerk of the Board for having done so.
- Repeat Finding** Yes; 2020-5
- 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** During the course of our testing we noted that the Board of Supervisors had inspected the roads and bridges but no certifications on the minutes or affidavits from the supervisors were filed to document that they had examined the roads and bridges annually.
- 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.
- View of Responsible Official(s)** The Board of Supervisors failed to file an affidavit with the Clerk of the Board after inspection but will immediately comply.
5. Public officials should ensure that the avails of the tax levy for fire trucks and equipment are used for that purpose.
- Repeat Finding** Yes; 2020-7
- Criteria** *Section 19-9-109, Mississippi Code Annotated (1972)*, states, "In order to fund such expenditures as may arise pursuant to the authority granted by Section 19-5-97 to boards of supervisors of any county to purchase, operate, and maintain fire trucks and other firefighting equipment, such boards of supervisors are empowered to levy an annual ad valorem tax not to exceed one-fourth ( $\frac{1}{4}$ ) of one mill in such supervisors districts as participate in the provisions of Section 19-5-97. However, such tax shall not be levied upon any of the taxable property of the county or districts thereof lying in a municipality which furnishes fire protection within its corporate limits. No part of such additional levy shall be reimbursable under Sections 27-33-1 through 27-33-65, Mississippi Code of 1972."
- Condition** During the course of our prior year audit, we noted that \$400,000 from the avails of this levy was diverted to the District 1 Road Maintenance Fund. Auditors were unable to obtain evidence that this was corrected.
- Cause** The County did not ensure that the avails of the fire levy were used for the proper purpose.
- Effect** The improper usage of a tax levy results in noncompliance with state statute and could result in the misappropriation of public funds.
- Recommendation** The Board of Supervisors should immediately transfer \$400,000 from the District 1 Road Maintenance Fund to the County Fire Department Fund.
- View of Responsible Official(s)** The Board of Supervisors shall comply.
6. Public officials should strengthen internal controls over reconciling bank accounts.

<b>Repeat Finding</b>	No
<b>Criteria</b>	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.
<b>Condition</b>	During the course of our test work, we noted that bank reconciliations were not being completed for the County's ARPA Funds Account.
<b>Cause</b>	The Board of Supervisors has not established a system of internal control to ensure cash accounts are accurately and timely reconciled.
<b>Effect</b>	Not performing accurate and timely bank reconciliations creates a weakness in the system of internal controls over cash and may result in the loss or misappropriation of county assets.
<b>Recommendation</b>	The Board of Supervisors should implement an effective internal control system to ensure that all bank accounts are reconciled monthly in an accurate and timely manner.
<b>View of Responsible Official(s)</b>	Bank reconciliations are now being done. We will comply with implementing effective internal controls.
<b>7.</b>	<u>Public officials should strengthen internal controls over the solid waste bank account.</u>
<b>Repeat Finding</b>	No
<b>Criteria</b>	An effective system of internal control would include proper separation of certain funds.
<b>Condition</b>	During the course of our audit, we noted that when the Board of Supervisors placed the Solid Waste account in the Office of the Tax Collector, the funds were comingled in the Tax Collector's bank account.
<b>Cause</b>	The Board of Supervisors had not established a system of internal control to ensure that bank accounts are properly separated.
<b>Effect</b>	A weakness in internal controls over bank accounts may result in the loss or misappropriation of county assets.
<b>Recommendation</b>	The Board of Supervisors should implement an effective internal control system over bank accounts to ensure proper separation and accounting of revenues collected in the various accounts.
<b>View of Responsible Official(s)</b>	The Board of Supervisors will comply.
<b>8.</b>	<u>Public Officials should ensure appropriate authorization and treatment of interfund transactions.</u>
<b>Repeat Finding</b>	No
<b>Criteria</b>	Governmental fund accounting requires appropriate authorization for interfund loans and transfers as well as balancing entries between funds.

<b>Condition</b>	During the course of our testing, we noted multiple instances where transfers or loans showed up on one fund but were not balanced to another fund. Additionally, several of these interfund loans were made and not paid back within the timeframe allowed.
<b>Cause</b>	Extensive and excessive use of interfund loans and transfers are difficult to accurately track year over year. Additionally, insufficient safeguards over the accounting for these loans and transfers leads to discrepancies in balanced accounting.
<b>Effect</b>	Insufficient internal controls over the treatment of interfund loans and transfers could lead to accounting errors and unauthorized transfers between funds.
<b>Recommendation</b>	The Board of Supervisors should take specific care to ensure appropriate authorization and documentation is available for all interfund transactions and should ensure appropriate internal controls are in place to accurately and timely account for those transactions and their repayment.
<b>View of Responsible Official(s)</b>	The Board of Supervisors will comply.

**9.** Deficit Fund Balances.

<b>Repeat Finding</b>	Yes; 2020-6
<b>Criteria</b>	Management is responsible for establishing a proper internal control system to ensure the County operates within its means.
<b>Condition</b>	We noted deficit fund balances at September 30, 2021. These deficit fund balances existed in the following funds: <ul style="list-style-type: none"> <li>• USDA Ambulance Grant (075)</li> <li>• Law Library (104)</li> <li>• District 1 Road Maintenance (151)</li> <li>• District 4 Road Maintenance (154)</li> </ul>
<b>Cause</b>	The above listed funds were operating with a cash deficit.
<b>Effect</b>	Prolonged deficit fund balances, especially in grant funding accounts, could result in loss of future grant funding.
<b>Recommendation</b>	The Board of Supervisors should determine the reasons for the deficit fund balance and take the appropriate actions to reduce the deficit.
<b>View of Responsible Official(s)</b>	The Board will comply.

**Payroll Clerk.**

**10.** Employee File Documentation.

<b>Repeat Finding</b>	Yes; 2020-9
<b>Criteria</b>	The County is responsible for establishing and maintaining an effective system of internal controls pertaining to the documentation in employee files.
<b>Condition</b>	During the course of our test work, we noted the following: <ul style="list-style-type: none"> <li>• Six (6) instances where the Board-approved pay rates were not evidenced in the file</li> <li>• Ten (10) instances where the I-9 was incomplete</li> </ul>
<b>Cause</b>	The employee files are not being reviewed regularly to identify any files without proper documentation.
<b>Effect</b>	The County employees' withholding elections could be calculated at the wrong rates and the County could face liability due to having improperly executed Form I-9s.

<b>Recommendation</b>	The County should maintain a complete employee file system that would ensure that the County is in compliance with State and Federal employee documentation laws.
<b>View of Responsible Official(s)</b>	The County has complied.
<b>Circuit Clerk.</b>	
<b>11.</b>	<u>Circuit Clerk Should Strengthen Internal Controls over Deposits, Settlements, Receipts, and Reconciliations.</u>
<b>Repeat Finding</b>	Yes; 2020-10
<b>Criteria</b>	An effective system of internal controls requires that all receipts are deposited, bank deposits and settlements are made timely, and reconciliations are performed for all accounts.
<b>Condition</b>	<p>During the course of our test work, we found that deposits were not being made timely with eighteen (18) exceptions noted out of twenty (20) items tested. We further found six (6) exceptions where the monthly settlements were not being made timely.</p> <p>It was also noted that the Civil Account has a reconciling item listed as "2013-2018" for <b>\$5,768.29</b>. These appear to be outstanding deposits from many years back.</p> <p>It was further noted that the Criminal Account has two reconciling items listed as a "2019 O/S Deposit" for <b>\$1,073.00</b> and a Bank Error for <b>\$0.50</b>.</p> <p>Auditors were unable to obtain evidence that the Jury Account was being reconciled.</p>
<b>Cause</b>	The Circuit Clerk has not established a system of internal control to ensure deposits and settlements are made timely and accurately and that reconciliations are timely and accurately performed for all accounts.
<b>Effect</b>	Failure to timely deposit funds, reconcile all accounts, and timely settle funds could result in the loss or misappropriation of public funds.
<b>Recommendation</b>	<p>The Circuit Clerk should implement an effective internal control system to ensure the accuracy and timeliness of deposits and settlements as well as reconciliations for all accounts.</p> <p>The Circuit Clerk should address the reconciling items noted in the Civil and Criminal Accounts and correct them or replace the funds and settle them appropriately.</p>
<b>View of Responsible Official(s)</b>	As of January 1, 2024, I became the new Circuit Clerk. I will comply with all statutes.
<b>12.</b>	<u>The Circuit Clerk Should Ensure Compliance with State Laws over Statutorily Imposed Limits on the Salaries Received for Various Duties.</u>
<b>Repeat Finding</b>	Yes; 2020-11
<b>Criteria</b>	<i>Section 23-15-225, Mississippi Code Annotated (1972)</i> , states, "The registrar shall be entitled to such compensation, payable monthly out of the county treasury, which the board of supervisors of the county shall allow on an annual basis in the following amounts....For counties with a total population of more than six thousand (6,000) and not more than ten thousand (10,000), an amount not to exceed Twelve Thousand Seventy-five Dollars

(\$12,075.00), but not less than Eight Thousand Four Hundred Fifty-two Dollars and Fifty Cents (\$8,452.50)."

*Section 25-7-13(4), Mississippi Code Annotated (1972)*, states, "The clerk's fees in state cases where the state fails in the prosecution, or in cases of felony where the defendant is convicted and the cost cannot be made out of his estate, in an amount not to exceed Four Hundred Dollars (\$400.00) in one (1) year, shall be paid out of the county treasury on approval of the circuit court, and the allowance thereof by the board of supervisors of the county. In counties having two (2) judicial districts, such allowance shall be made in each judicial district; however, the maximum thereof shall not exceed Eight Hundred Dollars (\$800.00)."

**Condition** During the course of our test work, we noted that the Circuit Clerk received a total of \$13,800 for services as the County Registrar. This resulted in an excess of **\$1,725** paid to the Clerk.

We further noted that the Circuit Clerk received a total of \$600 for State Fail Cases. This resulted in an excess of **\$200** paid to the Clerk.

**Cause** The Circuit Clerk did not use the appropriate census to determine the County's population for purposes of calculating the County Registrar statutory fees.

The Circuit Clerk billed in excess of statutory amounts for State Fail Cases.

**Effect** The Circuit Clerk was overpaid as the County Registrar and for State Fail Cases.

**Recommendation** The Circuit Clerk should make sure to use the correct decennial census for determining the amounts owed as County Registrar and should ensure compliance with State Law concerning allowable amounts for State Fail Cases. Further, it is recommended that the Circuit Clerk repay the County the **\$1,925** paid in excess.

**View of Responsible Official(s)** As of January 1, 2024, I became the new Circuit Clerk. I will comply with all statutes.

**Sheriff.**

**13.** The Sheriff Should Ensure Compliance with State Laws over the Presentation of Meal Logs to the Board of Supervisors.

**Repeat Finding** Yes; 2020-12

**Criteria** *Section 19-25-74, Mississippi Code Annotated (1972)*, states, "The sheriff shall maintain a log, showing the name of each prisoner, the date and time of incarceration and release, to be posted by the tenth calendar day of each month for the period spanning the preceding month, which shall record the number of meals served to prisoners on each day, and shall make affidavit as to the correctness thereof and file the same monthly with the board of supervisors. Such log shall remain on file with the board of supervisors as other records of said board and shall be made available to the State Department of Audit upon request. No claims for the cost or expenses of feeding prisoners shall be approved by the board of supervisors for any month unless and until such log for that month is filed."

**Condition** During the course of our test work, we noted that the meal logs were not being presented to the Board yet claims to vendors were being paid.

**Cause** The Sheriff did not present the meal logs to the Board of Supervisors.

**Effect** Failure to properly maintain and present the meal logs could result in the misappropriation of public funds for the incorrect number of meals.

**Recommendation** The Sheriff should present the meal logs to the Board of Supervisors for review monthly prior to payment of any claims for meal expenses. The logs should also be maintained on hand for audit purposes.

**View of Responsible** No response was provided for this finding.

**Official(s)**

**14.** The Sheriff should Ensure that the Cost of Feeding Inmates does not Exceed the Statutorily Authorized Amount

**Repeat Finding** No

**Criteria** §19-25-73(1)(b), *Mississippi Code Annotated (1972)*, provides that, "The sheriff shall purchase, in the name of the county, all necessary food and related supplies to be used for feeding prisoners only in the county jail. All purchases of such food and supplies shall be invoiced to the county and placed on the claims docket of the board of supervisors for disposition in the same manner as all other claims against the county. All wages and other compensation for services rendered to the sheriff in connection with the feeding of prisoners shall be submitted to and approved by the board of supervisors as other wages or compensation paid to employees of the sheriff. The total expenditure for such purpose under this method shall not exceed Fifteen Dollars (\$15.00) per day per prisoner, except as provided in subsection (3) of this section. All payments and reimbursements from any source for the keeping of prisoners shall be received and paid into the general fund of the county."

**Condition** During the course of our testing, we noted that the cost to feed prisoners was **\$24.97** per prisoner per day, which exceeds the statutory amount.

**Cause** This is due to inadequate controls over the cost of food procurement and preparation.

**Effect** Inadequate controls surrounding purchasing and preparing food could result in theft of assets and improper expenditure of public funds.

**Recommendation** The Sheriff should make the necessary changes in food procurement and preparation in order to comply with the statutory limit.

**View of Responsible** No response was provided for this finding.

**Official(s)**

**15.** The Sheriff 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, we noted that five (5) of the ten (10) deposits were not made in a timely manner.

We further noted one cash collection that was receipted, but the envelope turned over for deposit had no cash in it.

**Cause** These delays are due to inadequate internal controls surrounding the statutory requirements for depositing of revenue collected in the Sheriff's 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 to the County.

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

**View of Responsible Official(s)** No response was provided for this finding.

**16.** The Sheriff has Insufficient 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 collects money, reviews the collections for the day, prepares the deposit, takes the deposit, settles the account, and reconciles the account.

**Cause** The Sheriff has not established a system of internal control with adequate separation of duties concerning the collection, deposit, recording, settling, and reconciling.

**Effect** Failure to properly separate the accounting duties could result in the misappropriation of public funds.

**Recommendation** The Sheriff should ensure that there is an adequate separation of duties in the collection, deposit, recording, settling, and reconciling functions within the office.

**View of Responsible Official(s)** No response was provided for this finding.

**17.** The Sheriff Should Strengthen Internal Control over Settlements.

**Repeat Finding** No

**Criteria** An effective system of internal control includes the timely and proper completion of monthly settlements to the County's general fund.

**Condition** During the course of our test work, we noted that the seven (7) of the twelve (12) settlements were not timely made to the General Fund. We further noted that some settlements were held for as many as four (4) months.

**Cause** The sheriff's office did not properly make settlements of all funds collected to the County's general fund by the twentieth (20<sup>th</sup>) of the subsequent month.

**Effect** Failure to make timely and proper settlements could result in the misappropriation of public funds.

**Recommendation** The Sheriff should strengthen controls over the settling of funds to the County's general fund to ensure that proper settlements of all funds collected are made on or before the twentieth (20<sup>th</sup>) of the subsequent month.

**View of Responsible** No response was provided for this finding.

**Official(s)**

**18.** The Sheriff Should Strengthen Internal Control over Amounts held in Evidence.

**Repeat Finding** No

**Criteria** An effective system of internal control includes the proper accounting and safeguarding of assets seized.

**Condition** During the prior year audit, auditors counted **\$12,900** that had been seized by the Sheriff's Office. In the current year audit, Sheriff's Office was unable to locate the seized funds nor was it able to locate evidence of the disposition and/or return of the funds. The funds were kept in an unsecured storage closet.

**Cause** The Sheriff has not implemented internal controls to ensure the proper accounting and safeguarding of seized assets.

**Effect** Failure to properly implement internal controls to ensure proper accounting and safeguarding of seized funds could result in the misappropriation of funds.

**Recommendation** The Sheriff should implement controls over the accounting and safeguarding of assets seized.

**View of Responsible** No response was provided for this finding.

**Official(s)**

**Purchase Clerk.**

**19.** Public Officials Should Ensure Compliance with State Law over Credit Card Use.

**Repeat Finding** Yes; 2020-18

**Criteria** *Section 19-3-68, Mississippi Code Annotated (1972)*, states, "The chancery clerk or county purchase clerk shall maintain complete records of all credit card numbers and all receipts and other documents relating to the use of such credit cards. The supervisors and county employees shall furnish receipts for the use of such credit cards each month to the chancery clerk or purchase clerk who shall submit a written report monthly to the board of supervisors. The report shall include an itemized list of all expenditures and use of the credit cards for the month, and such expenditures may be allowed for payment by the county in the same manner as other items on the claims docket."

**Condition** During the court of our audit, we noted that no itemized report of credit card expenditures had been submitted to the Board to be paid each month.

**Cause** The Chancery Clerk and/or Purchase Clerk failed to properly present monthly reports of credit card expenditures to the Board for approval each month.

**Effect** Failure to properly present monthly reports of credit card expenditures results in noncompliance with State law and could result in the misappropriation of public funds.

**Recommendation** The Board of Supervisors should strengthen procedures to ensure that the Chancery Clerk and/or Purchase Clerk maintain proper documentation of credit card expenditures and present a monthly report of credit card expenditures to the Board for approval.

**View of Responsible** The Board of Supervisors will comply.

**Official(s)**

**Chancery Clerk.**

<b>20.</b>	<u>Public Officials Should Ensure Compliance with State Laws over Record Restoration Contracts.</u>
<b>Repeat Finding</b>	Yes; 2020-15
<b>Criteria</b>	<i>Section 19-15-1, Mississippi Code Annotated (1972)</i> , states, "The board of supervisors of any county is authorized and empowered in its discretion to make and enter into contracts and agreements with any person, firm or corporation to make and prepare copies or duplicates of records, and, subject to the standards established by the Department of Archives and History, to provide for and enter into contracts concerning the safekeeping and preservation of copies or duplicates at points of storage at a location approved by the Local Government Records Committee." It further states, "The board of supervisors of any such county is authorized and empowered, in its discretion, to appropriate and expend monies out of the available funds of the county for the purposes of this section."
<b>Condition</b>	During the course of our test work, we noted that the Chancery Clerk received \$12,000 in payments from the County for record restoration that is currently in progress but that there was no contract previously approved by the Board of Supervisors.
<b>Cause</b>	The Chancery Clerk failed to enter into a contract with the County for purposes or record restoration.
<b>Effect</b>	The Chancery Clerk received payments from the County for which he did not have a contract prior to receiving the payments.
<b>Recommendation</b>	The Chancery Clerk should enter into a contract with the Board of Supervisors for the purpose of restoring records prior to receiving any payments for these services.
<b>View of Responsible Official(s)</b>	I have implemented my contract with the Board of Supervisors.
<b>21.</b>	<u>The Chancery Clerk Should Ensure Compliance with State Laws over Statutorily Imposed Limits on the Salaries Received for Various Duties.</u>
<b>Repeat Finding</b>	Yes; 2020-16
<b>Criteria</b>	<p><i>Sections 25-7-9(1)(e) and 25-7-9(1)(i), Mississippi Code Annotated (1972)</i> state for the various duties of the Chancery Clerk, the following amounts shall be paid:</p> <ul style="list-style-type: none"> <li>• Attending Board Meetings: "(e) For each day's attendance on the board of supervisors, for himself and one (1) deputy, each \$ 20.00."</li> <li>• Services Not Otherwise Provided: "(i) For public service not otherwise specifically provided for, the chancery court may by order allow the clerk to be paid by the county on the order of the board of supervisors, an annual sum not exceeding \$5,000.00"</li> </ul>
<b>Condition</b>	<p>During the course of our test work, we noted that the Chancery Clerk received the following amounts in excess of the statutorily allowed amounts:</p> <ul style="list-style-type: none"> <li>• Attending Board Meetings: <b>\$2,920</b></li> <li>• Services Not Otherwise Provided: <b>\$442.39</b></li> </ul> <p>The total paid in excess is equal to <b>\$3,362.39</b>.</p>
<b>Cause</b>	The Chancery Clerk did not properly determine his compensation according to law.
<b>Effect</b>	The Chancery Clerk was paid in excess of the statutorily allowed amounts for services rendered.

<b>Recommendation</b>	The Chancery Clerk should ensure that the amounts paid are in compliance with the applicable statutes. Further, it is recommended that the Chancery Clerk repay the County the <b>\$3,362.39</b> paid in excess.
<b>View of Responsible Official(s)</b>	I missed 3 payments of Services Not Otherwise Provided in 2022, so that will repay my monies owed. I will pay \$2,920.00 on April 30, 2024, for the Attending Board Meetings and will send proof of payment.
<b>Auditor's Note</b>	The Chancery Clerk repaid the County \$2,920 verified by a receipt from the County dated May 1, 2024.
<b>22.</b>	<u>The Chancery Clerk Should Strengthen Internal Controls over Receipting, Deposits, Settlements, and Reconciliations.</u>
<b>Repeat Finding</b>	No
<b>Criteria</b>	An effective system of internal controls requires that receipts be issued, recorded timely, deposited timely in the bank, settled timely to the appropriate entities, and that reconciliations are performed.
<b>Condition</b>	<p>During the course of our test work, we noted the following:</p> <ul style="list-style-type: none"> <li>• Receipts were not issued for all transactions over \$10</li> <li>• The office does not utilize serialized receipt numbers</li> <li>• There was no defined daily close out process to batch receipts and prepare them for deposit</li> <li>• We were unable to trace three (3) of the ten (10) receipts tested to the bank statement and to the journal</li> <li>• Ten (10) of the ten (10) receipts chosen for testing were not deposited timely with several land redemption deposits being held for over a month</li> <li>• We noted that the settlements from the court account for June through November 2021 were not made until January 2022</li> <li>• Reconciliations were not being performed for the Mineral Stamp and Judicial Accounts</li> </ul>
<b>Cause</b>	The Chancery Clerk has not established a system of internal control to ensure that receipts are issued and recorded, that deposits are timely made, that settlements are made timely, and that all bank accounts are properly reconciled.
<b>Effect</b>	Failure to implement controls over receipting, deposits, settlements, and reconciliations could result in the loss or misappropriation of public funds.
<b>Recommendation</b>	The Chancery Clerk should implement an effective internal control system to ensure that all receipts are issued and recorded using serialized receipts, that an effective daily closeout process is implemented to ensure recording and deposit of all collections, that a month end reconciliation and settlement process is implemented to ensure timely settlements and reconciliations for all accounts.
<b>View of Responsible Official(s)</b>	The Chancery Clerk will comply and make sure deposits are made daily or the next working day.
<b>23.</b>	<u>The Chancery Clerk should strengthen internal controls over the Land Redemption account.</u>
<b>Repeat Finding</b>	No

<b>Criteria</b>	An effective system of internal control should include procedures for receipting, recording, preparing deposits, depositing of collections timely, reconciling the account, and preparing settlements to the appropriate entities.
<b>Condition</b>	During the course of our cash count, we noted an unidentified shortage of <b>\$7,846.22</b> . We further noted that the account had gone into the negative during the month of the count and that an nonsufficient funds fee of <b>\$36</b> had been charged to the account.
<b>Cause</b>	The Chancery Clerk has not implemented an adequate system of internal control to ensure proper receipting, recording, depositing, reconciling, and settling of funds in the land redemption account.
<b>Effect</b>	Failure to properly implement controls around receipting, recording, depositing, reconciling, and settling results in a weakness in the system of internal control over cash and may result in inappropriate or insufficient settlements to the various parties.
<b>Recommendation</b>	The Chancery Clerk should establish and maintain an effective internal control system over cash and ensure proper receipting, recording, depositing, reconciling, and settling of all funds in the land redemption account. We further recommend that the Clerk replace the <b>\$36</b> nonsufficient funds fee in the land redemption account.
<b>View of Responsible Official(s)</b>	No response was provided for this finding.

**24.** Public Officials Should Ensure Compliance with State Law over the Minutes of the Board of Supervisors.

<b>Repeat Finding</b>	No
<b>Criteria</b>	<i>Section 19-3-27, Mississippi Code Annotated (1972), states, "It shall be the duty of the clerk of the board of supervisors to keep and preserve a complete and correct record of all the proceedings and orders of the board. He shall enter on the minutes the names of the members who attend at each meeting, and the names of those who fail to attend. He shall safely keep and preserve all records, books, and papers pertaining to his office, and deliver them to his successor when required. The minutes of each day's proceedings shall either (a) be read and signed by the president or the vice president, if the president is absent or disabled so as to prevent his signing of the minutes, on or before the first Monday of the month following the day of adjournment of any term of the board of supervisors; or (b) be adopted and approved by the board of supervisors as the first order of business on the first day of the next monthly meeting of the board."</i>
<b>Condition</b>	During the course of our audit, we noted that the minutes of the Board of Supervisors had been approved by the Board but had not been recorded in the Chancery Clerk's office since July 2022.
<b>Cause</b>	The Clerk of the Board has failed to timely record the approved minutes of the board of supervisors.
<b>Effect</b>	Failure to timely record and obtain approval of the minutes results in noncompliance with State law. Further, failure to timely record the minutes and orders of the Board of Supervisors could result in an inability to communicate the actions of the Board to the necessary parties.
<b>Recommendation</b>	We recommend the Clerk of the Board timely record the approved minutes of the Board of Supervisors.
<b>View of Responsible Official(s)</b>	No response was provided for this finding.

**25.** The Chancery Clerk signed warrants without sufficient funds.

<b>Repeat Finding</b>	No
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<b>Criteria</b>	<i>Section 19-13-43, Mississippi Code of 1972 Annotated</i> , prohibits the signing of warrants or the delivery of warrants until there is sufficient money in the fund upon which it is drawn to pay the same.
<b>Condition</b>	Warrants were issued on funds which did not have sufficient money to pay the warrants. As of September 30, 2021, the following funds had negative cash balances: <ul style="list-style-type: none"> <li>a. EMSOF Grant Funds 1 (075)</li> <li>b. Law Library (104)</li> <li>c. District 1 Road Maintenance (151)</li> <li>d. District 4 Road Maintenance (154)</li> </ul>
<b>Cause</b>	The County did not comply with state law.
<b>Effect</b>	Failure to have sufficient cash balances in county funds prior to the signing and delivery of warrants on these funds resulted in the use of the cash balances of other funds for purposed other than the intended purpose. These types of transactions could result in the Board of Supervisors being held personally liable for such amounts.
<b>Recommendation</b>	The Board of Supervisors and Chancey Clerk should implement procedures to ensure that no warrants are signed or delivered until there is sufficient money in the fund upon which it is drawn to pay the same, as required by law.
<b>View of Responsible Official(s)</b>	No response was provided for this finding.

#### **Tax Assessor/Collector**

<b>26.</b>	<u>The Tax Assessor Collector should strengthen internal controls over the tax account.</u>
<b>Repeat Finding</b>	No
<b>Criteria</b>	An effective system of internal control should include procedures for receipting, recording, preparing deposits, depositing of collections timely, reconciling the account, and preparing settlements to the appropriate entities as well as the prompt detection, investigation, and correction of any issues identified.
<b>Condition</b>	During the course of our cash count, we noted an unidentified shortage of <b>\$16,160.63</b> . We further noted that the tax account had been merged and unmerged with the solid waste account prior to the cash count.
<b>Cause</b>	The Tax Assessor Collector has not implemented an adequate system of internal control to ensure proper receipting, recording, depositing, reconciling, and settling of funds in the tax account as well as procedures to detect and correct any issues identified.
<b>Effect</b>	Failure to properly implement controls around receipting, recording, depositing, reconciling, and settling results in a weakness in the system of internal control over cash and may result inappropriate or insufficient settlements to the various parties.
<b>Recommendation</b>	The Tax Assessor Collector should establish and maintain an effective internal control system over cash and ensure proper receipting, recording, depositing, reconciling, and settling of all funds in the tax account. We further recommend that the Tax Assessor Collector implements procedures to detect and correct any issues or unidentified amounts in the account.
<b>View of Responsible Official(s)</b>	Our Office believes that there was an issue when Solid Waste was separated from the Tax Collector's account. We are investigating the shortage and we are working to resolve the issue.

<b>27.</b>	<u>Public Officials should ensure compliance with statutorily established compensation requirements.</u>
<b>Repeat Finding</b>	No
<b>Criteria</b>	<p><i>Section 25-3-3 of the Mississippi Code Annotated (1972)</i> states that “(2) The salary of assessors and collectors of the various counties is fixed as full compensation for their services as county assessors or tax collectors, or both if the office of assessor has been combined with the office of tax collector. The annual salary of each assessor or tax collector, or both if the offices have been combined, shall be based upon the total assessed valuation of his respective county for the preceding taxable year in the following categories and for the following amounts:</p> <p>(g) For counties having a total assessed valuation of at least Seventy-five Million Dollars (\$75,000,000.00) but less than One Hundred Fifty Million Dollars (\$150,000,000.00), a salary of Fifty-five Thousand One Hundred Twenty-five Dollars (\$55,125.00)....</p> <p>3. In addition to all other compensation paid pursuant to this section, the board of supervisors shall pay to a person serving as both the tax assessor and tax collector in their county an additional Five Thousand Dollars (\$5,000.00) per year....”</p> <p><i>Section 27-1-51 of the Mississippi Code Annotated (1972)</i> further states that, “(6)(a) When any tax collector or deputy tax collector holds a valid certificate of educational recognition from the Education and Certification Board as established by Section 27-1-67 by attaining certification as a Collector of Revenue I (CR 1), he shall receive an additional Two Thousand Dollars (\$2,000.00) annually beginning the next fiscal year after completion.</p> <p><i>Section 25-3-3 of the Mississippi Code Annotated (1972)</i> states that “(6) In addition to all other compensation paid to assessors and tax collectors, the board of supervisors of a county shall allow for such assessor or tax collector, or both, to be paid additional compensation when there is a contract between the county and one or more municipalities providing that the assessor or tax collector, or both, shall assess or collect taxes, or both, for the municipality or municipalities; and such assessor or tax collector, or both, shall be authorized to receive such additional compensation from the county and/or the municipality or municipalities in any amount allowed by the county and/or the municipality or municipalities for performing those services.”</p> <p><i>Section 19-5-18(1) of the Mississippi Code Annotated (1972)</i> states that “The board of supervisors may designate, by resolution, a county official to collect the fees or charges. If the board of supervisors designates an elected county official to collect the fees or charges, the board of supervisors shall pay the reasonable costs incurred in collecting the fees or charges....”</p> <p>This is further supported by MS AG Opinion 2000-0514 to Ladner.</p>
<b>Condition</b>	<p>During the course of our audit, we were unable to properly tie out the compensation paid to the Tax Assessor Collector.</p> <p>It appears that the Tax Assessor Collector was paid in excess of statutory limits by <b>\$1,083.48</b>.</p>
<b>Cause</b>	The Tax Assessor Collector has not ensured that the compensation is determined according to statutory guidance.
<b>Effect</b>	Failure to properly calculate statutorily determined compensation could result in an elected official being paid in excess of statutory limits.
<b>Recommendation</b>	<p>The Tax Assessor Collector should determine the proper calculation of the compensation and ensure that it is in compliance with state statutes.</p> <p>Further, we recommend that the Tax Assessor Collector repay the <b>\$1,083.48</b> paid in excess of statutory limits.</p>
<b>View of Responsible Official(s)</b>	I am requesting an Attorney General's Opinion regarding the matter of payment.

The Mississippi Office of the State Auditor has taken exception to certain costs. The details of the exception and disposition are as follows:

**Exception Issued On:**

Members of the Board of Supervisors

**Nature of Exception:**

As a result of finding number 5 of fiscal year 2019 involving surety bond requirements of the chancery clerk, the Office of the State Auditor issued demand letters to members of the Board of Supervisors, individually, on January 6, 2020, seeking payment from each member in the amount of \$37,448.44. Subsequent to that date, the Board of Supervisors engaged an attorney in the name of Humphreys County for legal representation. There is uncertainty regarding the engagement and responsibility for payment of attorney services by the County for matters that are of a personal nature.

**Amount of Exception:**

In FY 2020, payments were made to the attorney in the amount of **\$43,396.00**.

In FY 2021, payments were made to the attorney in the amount of **\$19,118.00**.

**Disposition of Exception:**

This matter has been turned over to the Investigative Division of the Office of the State Auditor.

The Mississippi Office of the State Auditor has taken exception to certain costs. The details of the exception and disposition are as follows:

**Exception Issued On:**

Sheriff (In office 1/1/2020-3/7/2022)

**Nature of Exception:**

As noted in finding number 18 above, money seized by the Sheriff's Office was held in evidence. We counted it in the FY 2020 audit, but when we performed the FY 2021 audit, we were unable to locate the cash or find a disposition of the case showing where it was either returned to the defendant or forfeited.

**Amount of Exception:**

**\$12,900**

**Disposition of Exception:**

This matter will be turned over to the Investigative Division of the Office of the State Auditor.

Humphreys 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

April 21, 2024

## HUMPHREYS COUNTY

### SCHEDULE OF FINDINGS AND RESPONSES

## 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 unit	Unmodified
General Fund	Unmodified
Aggregate remaining fund information	Unmodified
2. Internal control over financial reporting:
  - a. Material weaknesses identified? Yes
  - b. Significant deficiencies identified? None Reported
3. Noncompliance material to the financial statements? No

## Section 2: Financial Statement Findings

### **Board of Supervisors and Inventory Clerk**

#### **Material Weakness**

<b>2021-001.</b>	<u>Public Officials should ensure that fixed assets are properly recorded and depreciated.</u>
<b>Repeat Finding</b>	Yes; 2020-002
<b>Criteria</b>	Generally accepted accounting principles require that fixed assets be recorded, capitalized, and depreciated.
<b>Condition</b>	The Inventory Clerk was not recording assets purchased and disposed of in the County's records, which in turn caused the County to be unable to record depreciation.
<b>Cause</b>	The County has failed to implement controls to ensure that fixed assets are properly recorded, capitalized, and depreciated in accordance with U.S. GAAP.
<b>Effect</b>	The failure to properly record capital asset transactions is a departure from generally accepted accounting principles and could result in a misstatement of the financial statements due to inaccuracies in fixed assets and their depreciation.
<b>Recommendation</b>	The Board of Supervisors should implement controls to ensure that fixed assets are properly recorded and depreciated in accordance with U.S. GAAP.
<b>View of Responsible Official(s)</b>	No response was provided for this finding.