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

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

**LEFLORE COUNTY
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LEFLORE COUNTY

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Leflore County, Mississippi

Report on the Financial Statements

We have audited the accompanying financial statements, of the governmental activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of Leflore 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 Greenwood Leflore Hospital, component unit, which represents 100% of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the aforementioned component unit, is based solely on the report of the other auditors. Our audit and the component unit audit of the Greenwood Leflore Hospital were conducted 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, each major fund and the aggregate remaining fund information of Leflore 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 Management's Discussion and Analysis, the Budgetary Comparison Schedules and corresponding notes, the Schedule of the County's Proportionate Share of the Net Pension Liability, the Schedule of County's Contributions, and the Greenwood Leflore Hospital's Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Employer 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Leflore County, Mississippi's basic financial statements. The accompanying Reconciliation of Operating Costs of Solid Waste is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying Reconciliation of Operating Costs of Solid Waste is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards

generally accepted in the United States of America. In our opinion, the Reconciliation of Operating Costs of Solid Waste is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 14, 2022, on our consideration of Leflore 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 Leflore 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 Leflore 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

October 14, 2022

LEFLORE COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

The discussion and analysis of Leflore County's financial performance provides an overall narrative review of the County's financial activities for the year ended September 30, 2021. The intent of this discussion and analysis is to look at the County's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the County's financial performance. Information contained in this section is supplemented by the more detailed information contained elsewhere in this County's financial statements, notes to financial statements and any accompanying materials. To the extent this discussion contains any forward-looking statements of the County's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

FINANCIAL HIGHLIGHTS

- Total net position decreased \$2,343,364, which represents a 7.4% decrease from fiscal year 2020.
- General revenues account for \$18,851,570 in revenues, or 83.7% of all revenues. Program specific revenues in the form of charges for services, and grants and contributions accounted for \$3,681,035 or 16.3% of total revenues.
- The County had \$24,875,969 in total expenses; only \$3,681,035 of these expenses were offset by program specific charges for services, grants, and contributions. General revenues of \$18,851,570 and beginning net position were adequate to provide for the remainder of these programs.
- Among major funds, the General Fund had \$14,050,186 in revenues, \$14,572,398 in expenditures, \$270,000 in transfers out, \$4,452 in transfers in, and \$162,018 in long-term capital debt issued. The General Fund's fund balance decreased by \$625,742.
- Among major funds, the Road and Bridge Fund had \$2,164,658 in revenues, \$4,889,295 in expenditures, and \$1,921,602 in interfund transfers in. The Road and Bridge Fund's fund balance decreased by \$803,035.
- Among major funds, the Solid Waste Fund had \$647,735 in revenues, \$1,113,250 in expenditures, and \$100,000 in transfers in. The Solid Waste Fund's fund balance decreased by \$365,515.
- Among major funds, the COVID Fund had \$8,401 in revenues, \$180 in expenditures, and \$4,452 in transfers out. The COVID fund balance increased by \$3,769.
- Capital assets, net of accumulated depreciation, decreased by \$1,014,884, primarily due to depreciation expense.
- Long-term debt decreased by \$1,810,400, primarily due to the timely payment of existing debt and limited issuance of new debt.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required

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

supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business. These statements are prepared using the accrual basis of accounting and include all assets and liabilities.

The statement of net position presents information on all the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years.

Both of these government-wide financial statements outline functions of the County that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general government, public safety, public works, health and welfare, culture and recreation, conservation of natural resources, economic development and assistance, interest on long-term debt and pension expense.

The County has the following discretely presented component unit.
Greenwood Leflore Hospital

This discretely presented component unit is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the primary government.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's current financing requirements. Governmental funds are reported using modified accrual accounting. This method of accounting measures cash and other assets that can be easily converted to cash. The governmental funds statements provide a detailed short-term view of the County's operations.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing

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

so, readers may better understand the long-term impact of the County's current financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains individual government funds in accordance with the *Mississippi County Financial Accounting Manual*. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all major funds. All other non-major funds are combined together and presented in these reports as other governmental fund.

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budget process.

The County adopts an annual operating budget for all governmental funds. A budgetary comparison statement has been provided for the General Fund and each additional major special revenue fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position. Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$29,227,427 as of September 30, 2021.

By far the largest portion of the County's net position (132.1%) reflects its investment in capital assets (e.g. land, buildings, improvement other than buildings, mobile equipment, furniture and equipment, leased property under capital leases, infrastructure assets, and construction in progress), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to the county; consequently, these assets are not available for future spending.

The County's financial position is a product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

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

The following table presents a comparative summary of the County's net position for the fiscal years ended September 30, 2021 and September 30, 2020.

	2020	2021
Current and other assets	\$ 31,036,128	31,748,347
Capital assets, net	56,499,256	55,484,372
Total assets	87,535,384	87,232,719
Deferred outflows	1,912,643	2,321,590
Current liabilities	836,033	4,845,329
Long-term debt outstanding	41,550,053	35,009,928
Total liabilities	42,386,086	39,855,257
Deferred inflows	15,491,150	20,471,625
Net position:		
Net investment in capital assets	39,738,648	38,596,153
Restricted	5,967,927	5,221,140
Unrestricted	(14,135,784)	(14,589,866)
Total net position	\$ 31,570,791	29,227,427

Changes in net position. The County's total revenues for the fiscal year ended September 30, 2021, were \$22,532,605. The total cost of all programs and services was \$24,875,969. The decrease in net position was \$2,343,364. The following table presents a comparative summary of the changes in net position for the fiscal years ended September 30, 2021, and September 30, 2020.

	2020	2021
Revenues:		
Program revenues		
Charges for services	\$ 2,273,718	2,526,422
Operating grants & contributions	399,790	557,487
Capital grants & contributions	2,886,288	597,126
General revenues		
Property taxes	15,684,443	15,985,005
Road and bridge privilege taxes	327,051	327,226
Grants and contributions not restricted	1,739,185	1,927,340
Unrestricted interest income	355,134	252,918
Rental Income	120,262	354,453
Miscellaneous	32,118	45,965
Gain (Loss) on disposal of assets	88,693	(41,337)
Total revenues	23,906,682	22,532,605

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

	<u>2020</u>	<u>2021</u>
Expenses:		
General Government	7,123,047	6,728,516
Public Safety	3,483,089	6,225,017
Public Works	4,443,370	8,322,849
Health and Welfare	1,097,513	787,794
Culture and Recreation	751,402	759,457
Conservation of Natural Resources	87,376	106,201
Economic Development and Assistance	742,759	554,626
Interest on long-term liabilities	595,041	543,923
Pension Expense	2,074,389	847,586
Total Expenses	<u>20,397,986</u>	<u>24,875,969</u>
Increase/ (Decrease) in Net Position	<u>\$ 3,508,696</u>	<u>(2,343,364)</u>

Governmental activities. The following table presents the cost of nine major county functional activities: general government, public safety, public works, health and welfare, culture and recreation, conservation of natural resources, economic development and assistance, interest on long-term debt and pension expense. The comparative table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the County's taxpayers by each of these functions.

	2020 Total Expenses	2020 Net (Expense) Revenue	2021 Total Expenses	2021 Net (Expense) Revenue
General Government	\$ 7,123,047	(6,386,693)	6,728,516	(5,794,620)
Public Safety	3,483,089	(2,410,363)	6,225,017	(5,159,388)
Public Works	4,443,370	(1,297,430)	8,322,849	(6,799,724)
Health and Welfare	1,097,513	(492,737)	787,794	(629,409)
Culture and Recreation	751,402	(751,402)	759,457	(759,457)
Conservation of Natural Resources	87,376	(87,376)	106,201	(106,201)
Economic Development and Assistance	742,759	(742,759)	554,626	(554,626)
Interest on long-term liabilities	595,041	(595,041)	543,923	(543,923)
Pension Expense	2,074,389	(2,074,389)	847,586	(847,586)
Total Expenses	<u>\$ 20,397,986</u>	<u>(14,838,190)</u>	<u>24,875,969</u>	<u>(21,194,934)</u>

Net cost of governmental activities of \$21,194,934, was financed by general revenue, which is made up of property taxes of \$15,985,005, road and bridge privilege of \$327,226, grants and contributions not restricted to specific programs of \$1,927,340, interest earnings of \$252,918, rental income of \$354,453, miscellaneous revenues of \$45,965, and gain (loss) on disposal of assets of (41,337). Beginning of year net position was used to cover remaining costs.

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

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the county uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the county's governmental funds is to provide information on current inflows, outflows, and balances of spendable resources. Such information is useful in assessing the county's financing requirements. Fund balance may serve as a useful measure of the county's net resources available for spending at the end of the fiscal year.

The financial performance of the county as a whole is reflected in its governmental funds. As the county completed the year, its governmental funds reported a combined fund balance of \$10,003,736 a decrease of \$3,484,228. This decrease was primarily due to increased expenses and decreased grant revenues received.

The General Fund is the principal operating fund of the county. The decrease in fund balance in the General Fund for the fiscal year was \$625,742. The fund balance of the Road and Bridge Fund decreased by 803,035. The fund balance of the Solid Waste Fund decreased by \$365,515. The COVID Fund balance increased by 3,769. The fund balance of Other Governmental Funds showed a decrease of \$1,693,704.

BUDGETARY HIGHLIGHTS

Over the course of the year, the county revised the annual operating budget. This was due to new grants and unanticipated expenses.

A schedule showing the original and final budget amounts compared to the county's actual financial activity for the General Fund and other major special revenue funds is provided in this report as required supplementary information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of September 30, 2021, the county's total capital assets were \$145,308,291, including land, construction in progress, buildings, improvements other than buildings, infrastructure, mobile equipment, leased property under capital leases, and furniture and equipment. This amount represents an increase of \$524,000 from the previous year. The majority of this increase is due to purchase of new equipment.

Total accumulated depreciation as of September 30, 2021, was \$89,823,919 and total depreciation expense for the year was \$1,612,576.

The balance in total net capital assets was \$55,484,372 at year end.

Additional information on the county's capital assets can be found in Note 5 of this report.

Debt Administration. At September 30, 2021, the county had \$18,958,522 in general obligation bonds, capital leases, other loans and compensated absences outstanding, of which \$2,172,455 is due within one year.

The county maintains an A1 bond rating.

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

Additional information on the county's long-term debt can be found in Note 9 of this report.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

If you have any questions about this report, contact the Chancery Clerk's Office of Leflore County, P.O. Box 250, Greenwood, Mississippi 38935-0250.

LEFLORE COUNTY

FINANCIAL STATEMENTS

LEFLORE COUNTY
Statement of Net Position
September 30, 2021

Exhibit 1

	Primary Government	Component
	Governmental	Unit
	Activities	Greenwood Leflore Hospital
ASSETS		
Cash	\$ 14,300,399	17,288,573
Assets limited as to use	-	2,751,780
Investments	-	4,610,280
Patient accounts receivable (net of allowance for doubtful accounts of \$45,859,218)	-	10,933,670
Accrued interest receivable		
Property tax receivable	15,480,217	-
Accounts receivable (net of allowance for uncollectibles of \$1,583,357)	335,018	-
Fines receivable (net of allowance for uncollectibles of \$5,198,176)	1,092,901	-
Capital leases receivable	204,439	-
Intergovernmental receivables	231,775	-
Estimated third-party payor settlements	-	857,493
Other receivables	100,598	1,583,784
Internal balances	3,000	-
Inventories	-	2,639,155
Prepaid expenses and other current assets	-	1,785,657
Other assets	-	282,494
Intangibles	-	1,024,940
Capital assets:		
Land and construction in progress	6,423,349	1,816,632
Other capital assets, net	49,061,023	39,495,284
Total Assets	87,232,719	85,069,742
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	1,991,730	36,212
Deferred amount on refunding	329,860	-
Total Deferred Outflows of Resources	2,321,590	36,212
LIABILITIES		
Claims payable	891,645	-
Unearned revenues	2,737,109	-
Accounts payable	-	6,664,073
Accrued expenses, including payroll taxes withheld	-	6,292,242
Contract liability	-	13,534,198
CARES Act deferred revenue	-	779,691
Intergovernmental payables	838,910	-
Accrued interest payable	213,294	-
Amounts held in custody for others	155,610	-
Other payables	8,761	-
Net pension liability	16,051,406	9,476,751
Due within one year:		
Capital debt	2,172,455	1,951,059
Due in more than one year:		
Capital debt	15,045,624	1,530,203
Non-capital debt	1,740,443	-
Total Liabilities	39,855,257	40,228,217
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	4,973,704	3,592,403
Deferred revenues - property taxes	15,480,217	-
Deferred revenues- lease interest payments	17,704	-
Total Deferred Inflows of Resources	20,471,625	3,592,403
NET POSITION		
Net investment in capital assets	38,596,153	37,830,654
Restricted for:		
Use in self-insurance	-	2,751,780
Specific operating activities	-	45,882
Expendable:		
General government	348,417	-
Public safety	564,165	-
Public works	1,523,073	-
Economic development and assistance	574,126	-
Unemployment compensation	36,726	-
Debt service	2,174,633	-
Unrestricted	(14,589,866)	657,018
Total Net Position	\$ 29,227,427	41,285,334

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

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

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	Greenwood Leflore Hospital
Primary government:						
Governmental activities:						
General government	\$ 6,728,516	919,692	14,204	-	(5,794,620)	
Public safety	6,225,017	992,222	73,407	-	(5,159,388)	
Public works	8,322,849	614,508	311,491	597,126	(6,799,724)	
Health and welfare	787,794	-	158,385	-	(629,409)	
Culture and recreation	759,457	-	-	-	(759,457)	
Conservation of natural resources	106,201	-	-	-	(106,201)	
Economic development and assistance	554,626	-	-	-	(554,626)	
Interest on long-term debt	543,923	-	-	-	(543,923)	
Pension expense	847,586	-	-	-	(847,586)	
Total Governmental Activities	<u>24,875,969</u>	<u>2,526,422</u>	<u>557,487</u>	<u>597,126</u>	<u>(21,194,934)</u>	
Total Primary Government	<u>\$ 24,875,969</u>	<u>2,526,422</u>	<u>557,487</u>	<u>597,126</u>	<u>(21,194,934)</u>	
Component unit:						
Greenwood Leflore Hospital	\$ 121,918,405	99,526,792				(22,391,613)
Total Component Unit	<u>\$ 121,918,405</u>	<u>99,526,792</u>	<u>-</u>	<u>-</u>		<u>(22,391,613)</u>
General revenues:						
Property taxes				\$ 15,985,005	-	
Road & bridge privilege taxes				327,226	-	
Grants and contributions not restricted to specific programs				1,927,340	11,122,740	
Unrestricted interest income				252,918	265,461	
Rental Income				354,453	-	
Miscellaneous				45,965	-	
Gain (Loss) on disposal of assets				(41,337)	2,397	
Total General Revenues				<u>18,851,570</u>	<u>11,390,598</u>	
Changes in Net Position				<u>(2,343,364)</u>	<u>(11,001,015)</u>	
Net Position - Beginning				<u>31,570,791</u>	<u>52,286,349</u>	
Net Position - Ending				<u>\$ 29,227,427</u>	<u>41,285,334</u>	

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

LEFLORE COUNTY
Balance Sheet – Governmental Funds
September 30, 2021

Exhibit 3

	Major Funds				Other	Total
	General	Road and	Solid	COVID	Governmental	Governmental
	Fund	Bridge	Waste	Fund	Funds	Funds
ASSETS						
Cash	\$ 5,959,558	603,090	173,952	2,740,878	4,822,921	14,300,399
Property tax receivable	10,952,988	395,591	-	-	4,131,638	15,480,217
Accounts receivable (net of allowance for uncollectibles of \$1,583,357)	-	-	335,018	-	-	335,018
Fines receivable (net of allowance for uncollectibles of \$5,198,176)	1,092,901	-	-	-	-	1,092,901
Capital lease receivable	-	-	-	-	204,439	204,439
Intergovernmental receivables	204,988	23,447	-	-	3,340	231,775
Other receivables	68,268	-	9,267	-	23,063	100,598
Due from other funds	302,000	28,477	-	-	48,339	378,816
Advances to other funds	136,749	-	-	-	-	136,749
Total Assets	\$ 18,717,452	1,050,605	518,237	2,740,878	9,233,740	32,260,912
LIABILITIES						
Liabilities:						
Claims payable	\$ 404,129	152,548	14,179	-	320,789	891,645
Intergovernmental payables	827,609	11,301	-	-	-	838,910
Due to other funds	85,577	-	302,000	-	-	387,577
Advances from other funds	-	-	35,000	-	98,749	133,749
Unearned revenues	-	-	-	2,737,109	-	2,737,109
Amounts held in custody for others	95,232	-	-	-	60,378	155,610
Total Liabilities	\$ 1,412,547	163,849	351,179	2,737,109	479,916	5,144,600
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenue - property taxes	10,952,988	395,591	-	-	4,131,638	15,480,217
Unavailable revenue - capital leases	-	-	-	-	204,439	204,439
Unavailable revenue - accounts receivable	-	-	335,018	-	-	335,018
Unavailable revenue - fines	1,092,901	-	-	-	-	1,092,901
Total Deferred Inflows of Resources	\$ 12,045,889	395,591	335,018	-	4,336,077	17,112,575
Fund balances:						
Nonspendable:						
Advances	136,749	-	-	-	-	136,749
Restricted for:						
General government	-	-	-	-	348,417	348,417
Public safety	-	-	-	3,769	560,396	564,165
Public works	-	491,165	-	-	696,890	1,188,055
Economic development and assistance	-	-	-	-	387,391	387,391
Debt service	-	-	-	-	2,387,927	2,387,927
Unemployment compensation	-	-	-	-	36,726	36,726
Unassigned	5,122,267	-	(167,960)	-	-	4,954,307
Total Fund Balances	\$ 5,259,016	491,165	(167,960)	3,769	4,417,747	10,003,737
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 18,717,452	1,050,605	518,237	2,740,878	9,233,740	32,260,912

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

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

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 10,003,737
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 \$89,823,919	55,484,372
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,427,919
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(18,958,522)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(16,051,406)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(213,294)
Capital leases are not available to pay for current period expenditures and, therefore, are deferred in the funds.	186,735
Deferred amount on refunding	329,860
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	1,991,730
Deferred inflows of resources related to pensions	<u>(4,973,704)</u>
Total Net Position - Governmental Activities	\$ <u><u>29,227,427</u></u>

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

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

	Major Funds					Total
	General Fund	Road and Bridge Fund	Solid Waste Fund	COVID Fund	Other Governmental Funds	Governmental Funds
REVENUES						
Property taxes	\$ 10,967,855	434,883	-	-	4,582,267	15,985,005
Road and bridge privilege taxes	-	327,226	-	-	-	327,226
Licenses, commissions and other revenue	441,955	-	-	-	9,457	451,412
Fines and forfeitures	434,822	-	-	-	-	434,822
Intergovernmental revenues	1,021,525	1,396,244	-	-	664,183	3,081,952
Charges for services	696,133	-	641,931	-	296,089	1,634,153
Interest income	108,719	574	1,564	8,401	133,660	252,918
Rental Income	340,937	-	4,240	-	9,276	354,453
Miscellaneous revenues	38,240	5,731	-	-	1,994	45,965
Total Revenues	14,050,186	2,164,658	647,735	8,401	5,696,926	22,567,906
EXPENDITURES						
Current:						
General government	6,698,544	-	-	-	365,624	7,064,168
Public safety	5,819,168	-	-	-	747,855	6,567,023
Public works	133,956	4,480,269	995,234	180	2,547,979	8,157,618
Health and welfare	785,184	-	-	-	-	785,184
Culture and recreation	692,740	-	-	-	-	692,740
Conservation of natural resources	107,155	-	-	-	-	107,155
Economic development and assistance	270,157	-	-	-	20,615	290,772
Debt service:						
Principal	63,818	366,151	108,584	-	1,577,671	2,116,224
Interest	1,676	42,875	9,432	-	459,702	513,685
Total Expenditures	14,572,398	4,889,295	1,113,250	180	5,719,446	26,294,569
Excess of Revenues over (under) Expenditures	(522,212)	(2,724,637)	(465,515)	8,221	(22,520)	(3,726,663)
OTHER FINANCING SOURCES (USES)						
Long-term capital debt issued	162,018	-	-	-	-	162,018
Lease principal payments	-	-	-	-	80,418	80,418
Transfers in	4,452	1,921,602	100,000	-	170,000	2,196,054
Transfers out	(270,000)	-	-	(4,452)	(1,921,602)	(2,196,054)
Total Other Financing Sources and Uses	(103,530)	1,921,602	100,000	(4,452)	(1,671,184)	242,436
Net Changes in Fund Balances	(625,742)	(803,035)	(365,515)	3,769	(1,693,704)	(3,484,227)
Fund Balances - Beginning	5,884,758	1,294,200	197,555	-	6,111,451	13,487,964
Fund Balances - Ending	\$ 5,259,016	491,165	(167,960)	3,769	4,417,747	10,003,737

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

LEFLORE 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	\$ (3,484,227)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that depreciation of \$1,612,576 exceeded capital outlays of \$639,029 in the current period.	(973,547)
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the loss on sale of assets of \$41,337 decreased by the proceeds from disposal of \$0.	(41,337)
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.	33,457
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.	(27,423)
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt repayments of \$2,116,224 exceeded debt proceeds of \$162,018	1,954,206
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:	
Amortization of bond premium	8,488
Amortization of bond discount	(27,714)
Amortization of refunding charges on long-term debt	(41,233)
Compensated absences payable	(124,580)
Accrued interest payable	30,221
In the Statement of Activities, only interest income from payments received on capital leases are reported, whereas in the governmental funds, both principal and interest payments received increase financial resources. Thus, the change in net position differs from change in fund balances by the principal collections on the capital leases.	(80,418)
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	(847,586)
Recording of contributions made during the year	1,278,329
Change in Net Position of Governmental Activities	\$ <u>(2,343,364)</u>

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

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

Exhibit 5

STATEMENT OF FIDUCIARY NET POSITION		Custodial Funds
ASSETS		
Cash and cash equivalents	\$	93,260
Due from other funds		8,761
Total Assets		102,021
LIABILITIES		
Accrued payables		56,141
Intergovernmental payables		42,880
Advances from other funds		3,000
Total Liabilities	\$	102,021
Total Net Position		-
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION		Custodial Funds
ADDITIONS		
Fee collections for other agencies	\$	589,574
Tax collections for other governments		874,352
Total Additions		1,463,926
DEDUCTIONS		
Payments of fees to other agencies		589,574
Payments of tax to other governments		874,352
Total Deductions		1,463,926
Net increase (decrease) in fiduciary net position		-
Net Position - Beginning		-
Net Position - Ending		-

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

A. Financial Reporting Entity.

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

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

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

B. Individual Component Unit Disclosures.

Discretely Presented Component Unit

The component unit 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.

The Greenwood Leflore Hospital is a 208-bed acute care hospital and related psychiatric, rehabilitation and outpatient care facilities and physician clinics principally located in Greenwood, Mississippi.

C. Basis of Presentation.

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

Government-wide Financial Statements:

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

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

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

Fund Financial Statements:

Fund financial statements of the County are organized into funds, each of which is considered to be 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 balance, revenues, and expenditures. Funds are organized into governmental and fiduciary, even though the latter are excluded from the government-wide financial statements. Major individual Governmental Funds are reported as separate columns in the fund financial statements. Non-major funds are aggregated and presented in a single column as Other Governmental Funds.

D. Measurement Focus and Basis of Accounting.

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

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

The County reports the following major Governmental Funds:

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

Road and Bridge Fund - This fund is used to account for monies from specific revenue sources that are restricted for roads and bridges.

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

Solid Waste Fund - This fund is used to account for monies from specific revenue sources that are restricted for solid waste endeavors.

COVID Fund - This fund is used to account for revenues designated by federal grants and the related expenditures.

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

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

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

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

FIDUCIARY FUND TYPE

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

E. Account Classifications.

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

F. Deposits and Investments.

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

Cash includes cash on hand, demand deposits, all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair market value.

G. Receivables.

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

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

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

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

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

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

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

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

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 8 for additional details.

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

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

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

Deferred revenues – lease interest payments/unavailable revenue – capital leases – 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 – fines – When an asset is recorded in the governmental fund financial statements, but the revenue is not available, the government should report a deferred inflow of resources until such time as the revenue becomes available.

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

Deferred inflows related to pensions – This amount represents the County's proportionate share of the deferred inflows of resources reported by the pension plan in which the County participates. See Note 8 for additional details.

K. Pensions.

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

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

L. Long-term liabilities.

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

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

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

M. Compensated Absences.

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

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

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

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

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

Non-spendable 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 principal balance of a permanent fund.

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

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

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

O. Property Tax Revenues.

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

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

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

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

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.

NOTE 2 – DEPOSITS AND INVESTMENTS.

Deposits:

Leflore County:

The carrying amount of the County's total deposits with financial institutions at September 30, 2021, was \$14,393,659 and the bank balance was \$15,937,272. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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.

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

Greenwood Leflore Hospital:

Custodial credit risk is the risk that, in the event of a bank failure, the Hospital's deposits might not be recovered. The collateral for public entities' deposits in financial institutions are held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5 Miss. Code Ann (1972). Under this program, the Hospital'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 Depository Insurance Corporation ("FDIC"). All deposits with financial institutions must be collateralized in an amount equal to 105 percent of uninsured deposits and are therefore fully insured. The bank balance of the collateralized and insured balances was \$19,524,059 at September 30, 2021, including money market accounts listed below.

Investments:

Greenwood Leflore Hospital

The statutes of the State of Mississippi restrict the authorized investments of the Hospital to obligations of the U. S. Treasury, agencies and instrumentalities of the United States and certain other types of investments. The Hospital does not have a formal investment policy that further limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. The Mississippi Hospital Association ("MHA") investment pool is the result of an amendment to the Mississippi Code of 1972 passed in the 1999 and 2000 sessions of the Mississippi Legislature. This law expanded the investment options and permits the pooling of hospital funds. All Mississippi hospitals are allowed to participate in these funds. Pooled funds are invested in authorized investments and are managed by approved investment advisors. The external investment pools do not have a credit rating on the overall pool and they are not insured.

The Hospital's investments are reported at fair value. At September 30, 2021, the Hospital had the following investments and maturities:

Investment Type	Bond Ratings		Interest Rate	Carrying Amount	Maturity Date
	Moody's	S&P			
MHA Intermediate Pool	N/A	N/A	N/A	4,610,280	N/A
Total				\$ 4,610,280	

Deposits and investments are presented on the statements of net position as of September 30, 2021, as follows:

Description	Amount
Cash and cash equivalents	\$ 17,288,573
Assets limited as to use, current	2,751,780
Investments	4,610,280
Total	\$ 24,650,633

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

The Hospital holds investments that are measured at fair value on a recurring basis. Because investing is not a core part of the Hospital's mission, the Hospital determined that the disclosures related to these investments only need to be disaggregated by major type. The Hospital elected a narrative format for the fair value disclosures.

The Hospital categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Hospital has the following recurring fair value measurements:

- Investment pools of \$4,610,280 as of September 30, 2021, are valued at the Hospital's percentage ownership based on the value of the underlying investments (Level 2 inputs).

NOTE 3 - INTERFUND TRANSACTIONS AND BALANCES.

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

A. Due From/To Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Solid Waste Fund	\$ 302,000
Road and Bridge Fund	General Fund	28,477
Other Governmental	General Fund	48,339
Custodial Funds	General Fund	8,761
		<u>\$ 387,577</u>

Receivables represent tax revenues and law library fees collected but not settled until October 2021 and a loan to Solid Waste Fund to cover purchase of new equipment. All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Advances from/to Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Custodial Funds	3,000
General Fund	Solid Waste Fund	35,000
General Fund	Other Governmental Funds	98,749
		<u>\$ 136,749</u>

The amount payable from Custodial Funds represents interest not transferred to General Fund. The other amounts payable to General Fund are unpaid loans for operating expenses made in prior years.

C. Transfers In/Out

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	COVID Fund	4,452
Road and Bridge Fund	Other Governmental Funds	1,921,602
Solid Waste Fund	General Fund	100,000
Other Governmental Funds	General Fund	170,000
		<u>\$ 2,196,054</u>

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

Transfers to General Fund from COVID Fund are to move interest income. Transfers to the Road and Bridge Fund are reimbursement for bridge expenditures. Transfers to Solid Waste Fund from General Fund are for operations. Transfers to Other Governmental Funds from General Fund are to the E-911 Fund for operations.

NOTE 4 - INTERGOVERNMENTAL RECEIVABLES.

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

Description	Amount
Legislative credit	\$ 167,240
Court grants	4,740
Other aid	14,771
Gasoline tax	23,447
State privilege taxes	21,577
	<u>231,775</u>

NOTE 5 - CAPITAL ASSETS.

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

	Balance Oct. 1, 2020	Additions	Deletions	Adjustments*	Balance Sept. 30, 2021
<u>Non-depreciable capital assets:</u>					
Land	\$ 4,368,269	-	-	-	4,368,269
Construction in progress	2,055,080	-	-	-	2,055,080
Total non-depreciable capital assets	<u>6,423,349</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,423,349</u>
<u>Depreciable capital assets:</u>					
Infrastructure	97,862,087	-	-	-	97,862,087
Building	21,986,935	-	-	-	21,986,935
Improvements other than buildings	4,123,291	-	-	-	4,123,291
Mobile equipment	7,356,321	409,471	37,349	-	7,728,443
Furniture and equipment	3,177,599	67,540	-	-	3,245,139
Leased property under capital leases	3,854,709	162,018	77,680	-	3,939,047
Total depreciable capital assets	<u>138,360,942</u>	<u>639,029</u>	<u>115,029</u>	<u>-</u>	<u>138,884,942</u>
<u>Less accumulated depreciated for:</u>					
Infrastructure	67,203,291	70,920	-	-	67,274,211
Buildings	8,225,384	411,053	-	-	8,636,437
Improvements other than buildings	2,600,410	163,689	-	-	2,764,099
Mobile equipment	6,153,214	396,941	35,192	-	6,514,963
Furniture and equipment	2,825,252	83,525	-	-	2,908,777
Leased property under capital leases	1,277,484	486,448	38,500	-	1,725,432
Total accumulated depreciation	<u>88,285,035</u>	<u>1,612,576</u>	<u>73,692</u>	<u>-</u>	<u>89,823,919</u>
Total depreciable capital assets, net	<u>50,075,907</u>	<u>(973,547)</u>	<u>41,337</u>	<u>-</u>	<u>49,061,023</u>
Governmental activities capital assets, net	<u>\$ 56,499,256</u>	<u>(973,547)</u>	<u>41,337</u>	<u>-</u>	<u>55,484,372</u>

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

Depreciation expense was charged to the following functions:

General government	\$ 101,095
Public safety	380,513
Public works	734,987
Health and welfare	32,693
Culture and recreation	87,604
Conservation of natural resources	11,830
Economic development	263,854
Total governmental activities depreciation expense	<u>\$ 1,612,576</u>

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

<u>Description of Commitment</u>	<u>Remaining Financial Commitment</u>	<u>Expected Date of Completion</u>
Hwy 7/Hwy 49 Connector Road	Unknown	Unknown
CR537 Lake Henry Bridge	Unknown	Unknown

Greenwood Leflore Hospital

	Balance Oct. 1, 2020	Additions	Deletions	Adjustments*	Balance Sept. 30, 2021
<u>Non-depreciable capital assets:</u>					
Land	\$ 578,395	-	-	-	578,395
Construction in progress	1,830,122	673,195	1,265,080	-	1,238,237
Total non-depreciable capital assets	<u>2,408,517</u>	<u>673,195</u>	<u>1,265,080</u>	<u>-</u>	<u>1,816,632</u>
<u>Depreciable capital assets:</u>					
Land improvements	1,321,992	21,588	-	-	1,343,580
Building	56,877,881	245,897	-	-	57,123,778
Fixed equipment	7,825,301	89,412	-	-	7,914,713
Movable equipment	132,025,577	3,726,008	104,764	-	135,646,821
Total depreciable capital assets	<u>198,050,751</u>	<u>4,082,905</u>	<u>104,764</u>	<u>-</u>	<u>202,028,892</u>
<u>Less accumulated depreciated for:</u>					
Land improvements	480,938	12,351	-	-	493,289
Building	21,071,718	1,534,648	-	-	22,606,366
Fixed equipment	4,043,150	90,350	-	-	4,133,500
Movable equipment	130,760,816	4,643,988	104,351	-	135,300,453
Total accumulated depreciation	<u>156,356,622</u>	<u>6,281,337</u>	<u>104,351</u>	<u>-</u>	<u>162,533,608</u>
Total depreciable capital assets, net	<u>41,694,129</u>	<u>(2,198,432)</u>	<u>413</u>	<u>-</u>	<u>39,495,284</u>
Governmental activities capital assets, net	<u>\$ 44,102,646</u>	<u>(1,525,237)</u>	<u>1,265,493</u>	<u>-</u>	<u>41,311,916</u>

Depreciation expense for the year ended September 30, 2021, totaled \$6,281,337.

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

NOTE 6 - CLAIMS AND JUDGMENTS.

Risk Financing:

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

NOTE 7 - CAPITAL LEASES.

As Lessor:

On October 7, 2013, the County entered into a capital lease agreement with Coburn Supply Company. The capital lease stipulated that the lessee would pay approximately \$7,966 per month in lease payments commencing on January 1, 2014, for a term of 10 years. Payments are currently ahead of schedule.

The County leases the following property with varying terms and options as of September 30, 2021:

<u>Class of Property</u>	<u>Amount</u>
Buildings	\$ 825,000
Total	<u>\$ 825,000</u>

The future minimum lease receivable and the present value of the net minimum lease receivable as of September 30, 2021, are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2022	91,740	9,427
2023	94,995	8,277
Total	<u>186,735</u>	<u>17,704</u>

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>Amount</u>
Mobile Equipment	\$ 3,656,300
Furniture and equipment	282,747
Total	<u>\$ 3,939,047</u>
Less: Accumulated Depreciation	1,725,432
Leased Property Under Capital Leases	<u>2,213,615</u>

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

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

Year Ending September 30	Principal	Interest
2022	600,715	45,517
2023	557,875	39,946
2024	515,536	16,893
2025	399,173	5,610
2026	18,458	49
Total	<u>2,091,757</u>	<u>108,015</u>

NOTE 8 - DEFINED BENEFIT PENSION PLAN.

Leflore County

General Information about the Pension Plan

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

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

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

Contributions. At September 30, 2021, PERS members are required to contribute 9% of their annual covered salary, and the County is required to contribute an actuarially determined rate. The employer's rate at September 30, 2021 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2021, 2020, and 2019, were \$1,278,329, \$1,223,581, and \$1,153,405, 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 \$16,051,406 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2021, net pension liability was 0.108599 percent, which was based on a measurement date of June 30, 2021. This was an increase of .0013 percent from its proportionate share used to calculate the September 30, 2020, net pension liability, which was based on a measurement date of June 30, 2020.

For the year ended September 30, 2021, the County recognized pension expense of \$847,586. At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 255,388	-
Net difference between projected and actual earnings on pension plan investments	-	-
Changes of assumptions	1,234,944	4,844,973
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	179,905	128,731
County contributions subsequent to the measurement date	321,493	-
Total	\$ 1,991,730	4,973,704

The \$321,493 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30	Amount
2022	\$ (613,064)
2023	(542,819)
2024	(707,079)
2025	(1,440,505)
	<u>(3,303,467)</u>

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

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

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

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

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

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

The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

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

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

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

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

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

	1% Decrease (6.55%)	Current Discount Rate	1% Increase (8.55%)
County's proportionate share of the net pension liability	\$ 22,732,555	16,051,406	10,545,609

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

DEFINED BENEFIT PENSION PLAN - COMPONENT UNIT

Greenwood Leflore Hospital

Greenwood Leflore Hospital Pension Plan (the "Plan") is a single-employer defined benefit pension plan sponsored by the Hospital. The Plan provides retirement, disability, and death benefits to Plan members and beneficiaries. The Hospital elected to freeze the Plan to new members as of March 31, 2012. The Plan issues a publicly available financial report that can be obtained from the Chief Financial Officer of Greenwood Leflore Hospital at P.O. Box 1410, Greenwood, Mississippi, 38935.

For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to the defined benefit plan, and defined benefit pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported on the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Normal Retirement Benefit

The normal retirement date of a participant is the first day of the calendar month coincident with or next following his attainment of age 65 and completion of five years of service.

The normal retirement benefit, payable monthly for life, is equal to the sum of (i), (ii) and (iii) as follows:

- (i) For service before October 1, 1972:
 - a. 1.00 percent of average compensation multiplied by benefit service through September 30, 1972.
- (ii) For service from October 1, 1972 through September 30, 1988:

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

- a. 0.85 percent of average compensation plus 1.00 percent of average compensation in excess of \$15,000, all multiplied by benefit service from October 1, 1972 through September 30, 1988 (limited to 16 years).
- (iii) For each year of participation on and after October 1, 1988:
 - a. 1.25 percent of compensation for a given year of participation plus 0.65 percent of compensation for that year in excess of the integration level for that year.

"Years of participation" as used in (iii) above for the benefit attributable to compensation in excess of the integration level cannot exceed 35 years minus the number of years of benefit service used in (ii) above.

"Average compensation" is the average of a participant's compensation for the three consecutive plan years preceding October 1, 1988, which produce the highest average (or the average over all years of benefit service if less than three).

"Integration level" for a plan year means one-half of Social Security-covered compensation for an individual who reaches Social Security retirement age in that year, but not less than \$10,000.

Summary of Participant Data

1. Inactive Plan Participants	
a.) Retirees and beneficiaries currently receiving benefits	359
b.) Terminated employees entitled to deferred benefits	580
c.) Disabled employees entitled to deferred benefits	-
d.) Total	<u>939</u>
2. Active Plan Participants	
a.) Vested	281
b.) Nonvested	-
c.) Total	<u>281</u>
3. Total Plan Participants	<u>1,220</u>

Funding Policy

Although a formal funding policy has not been established, the Hospital generally contributes the amount necessary to fund the Plan at an actuarially determined rate. Employees are not allowed to contribute to the Plan. The current actuarially required minimum rate is 1.7 percent of annual covered payroll. The Hospital's contributions to the Plan for the year ended September 30, 2021 were \$1,598,738 equal to the actuarial determined annual contributions for each year.

Net Pension Liability

The Hospital's net pension liability was measured as of September 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2020.

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

Summary of Assumptions

The total pension liability as of September 30, 2021, was measured using the following actuarial assumptions, applied to all periods in the measurement:

Investment Rate of Return – 7.10 percent, per annum, compounded annually

Discount Rate - 7.10 percent per annum, compounded annually

The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on that assumption, 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' projected benefit payments to determine the total pension liability.

Salary increases Not applicable, benefits are frozen

Effective September 30, 2020, the mortality table was changed from the RP-2014 Blue Collar, Separate Pre- and Post-Commencement, with separate Male and Female tables, fully Generational using Projections Scale MP-2019 to the RP-2014 Blue Collar, Separate Pre- and Post-Commencement, with separate Male and Female tables, fully Generational using Projections Scale MP-2020 to better recognize current and future mortality improvements.

All liabilities and normal costs are calculated based on the Entry Age Normal method.

Schedule of Changes in Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Net Position (b)	Net Pension Liability (a)-(b)
Balance at September 30, 2020	\$ 50,140,069	\$ 36,009,646	\$ 14,130,423
Changes for the Year:			
Interest	3,509,805	-	3,509,805
Difference between expected and actual experience	126,746	-	126,746
Changes of assumptions	(683,581)	-	(683,581)
Contributions - employer	-	1,598,738	(1,598,738)
Net investment income	-	6,100,827	(6,100,827)
Benefits paid/refunds	(3,327,653)	(3,327,653)	-
Administrative expenses	-	(92,923)	92,923
Net changes	(374,683)	4,278,989	(4,653,672)
Balance at September 30, 2021	\$ 49,765,386	\$ 40,288,635	\$ 9,476,751

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

The following represents the net pension liability as calculated using the stated discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease (6.10%)	Current Discount Rate	1% Increase (8.10%)
Net pension liability	\$ 14,977,041	9,476,751	4,875,148

The asset allocations for each major asset class at September 30, 2021, are summarized below in the following table:

<u>Asset Class</u>	<u>2021 Allocation</u>
Mutual funds - fixed income	42.8%
Mutual funds - equities	41.2%
Common stock - equities	2.7%
International mutual funds	12.6%
Cash and cash equivalents	0.7%
	<hr/>
Total	100%

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended September 30, 2021, the Hospital recognized pension expense of \$205,375. At September 30, 2021 the Hospital reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	<u>2021</u>
Deferred outflows of resources	
Experience losses	\$ 36,212
Total deferred outflows of resources	<u>36,212</u>
Deferred inflows of resources	
Changes in assumptions	(195,309)
Net difference between projected and actual earnings on pension plan investments	<u>(3,397,094)</u>
Total deferred inflows of resources	\$ <u>(3,592,403)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ (978,587)
2023	(870,604)
2024	(977,067)
2025	(729,933)
	<hr/>
Total	\$ <u>(3,556,191)</u>

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

Amortization Period

Investment gains or losses are amortized over five years.

Changes in actuarial assumptions and experience gains or losses are amortized over the average working lifetime of all participants, which for the current period is 1.4 years for the measurement period ended September 30, 2021.

NOTE 9 - LONG TERM DEBT.

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
A. General Obligation Bonds:			
GO Bonds, S2010	760,000	2.50-3.38%	04/2025
Jail Refunding, S2012	1,330,000	5.00%	12/2023
GO PI Bonds, S2012	2,535,000	3.00%	07/2032
GO Bonds, S2015	3,945,000	various	02/2035
GO Refunding Bonds, S2015	2,195,000	various	11/2028
GO PI Bonds, S2017	4,160,000	1.15-2.75%	09/2037
Total General Obligation Bonds	\$ 14,925,000		
B. Capital Leases:			
8- 2017 Chevrolet Tahoes	\$ 22,809	2.09%	02/2022
6-2021 Dodge Ram 2500 Crew Cab Pick Ups	152,140	1.60%	12/2023
2 Chevrolet Trucks	4,340	2.17%	02/2022
6-2018 Caterpillar Motor Graders	865,843	3.15%	10/2025
Ford F-150	29,451	1.65%	08/2024
Caterpillar Wheel Loader and Kenworth Tractor Trucks	572,424	2.03%	03/2020
E911 Upgrade Equipment	93,619	2.70%	04/2023
2019 Freightliner Garbage Truck	58,575	2.70%	10/2023
2020 Freightliner Garbage Trucks	292,556	2.20%	02/2025
Total Capital Leases	\$ 2,091,757		
C. Other Loans:			
Coburn Supply Company	186,735	2.00%	09/2023
Total Other Loans	\$ 186,735		

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

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

Year Ending September 30	General Obligation Bonds		Other Loans	
	Principal	Interest	Principal	Interest
2022	\$ 1,480,000	404,631	91,740	9,427
2023	1,515,000	364,781	94,995	6,258
2024	1,555,000	322,744	-	-
2025	1,140,000	2,763,991	-	-
2026	1,000,000	253,681	-	-
2027-2031	4,825,000	861,025	-	-
2032-2036	3,090,000	239,078	-	-
2037	320,000	4,800	-	-
Total	\$ 14,925,000	5,214,731	186,735	15,685

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2021, the amount of outstanding debt was equal to 5.67% of the latest property assessments.

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

	Balance Oct. 1, 2020	Additions	Reductions	Adjustments*	Balance Sept. 30, 2021	Amount due within one year
Governmental Activities:						
Compensated absences	\$ 1,615,863	124,580	-	-	1,740,443	-
Claims and judgments					-	
General obligation bonds	16,360,000	-	1,435,000	-	14,925,000	1,480,000
Less:						
Discounts	(138,643)	-	(27,714)	-	(110,929)	-
Add:						
Premiums	134,004	-	8,488	-	125,516	-
Capital leases	2,530,545	162,018	600,806	-	2,091,757	600,715
Other loans	267,153	-	80,418	-	186,735	91,740
Total	\$ 20,768,922	286,598	2,096,998	-	18,958,522	2,172,455

Compensated absences will be paid by the funds from which the employees' salaries were paid which are generally the General Fund, Road and Bridge Fund, and E-911 Fund.

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

LONG TERM DEBT - COMPONENT UNIT

Greenwood Leflore Hospital

A summary of long-term debt, including capital lease obligations at September 30, 2021 is as follows:

	<u>2021</u>
Trustmark note payable, with an interest rate of 2.98 percent and payments due through November 2, 2021, collateralized by equipment that was purchased with the note.	\$ 127,106
Bank of Commerce note payable, with an interest rate of 3.00 percent and payable in 11 monthly principal and interest payments of \$13,215, beginning December 2020 and ending November 2021 with a final payment of \$748,620	759,920
Capital lease obligations, with payments due through 2025, collateralized by leased equipment	<u>2,594,236</u>
Total long-term debt	3,481,262
Less current maturities of long-term debt	(1,951,059)
Long-term debt and capital lease obligations, excluding current maturities	<u>\$ 1,530,203</u>

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

<u>Year Ending September 30</u>	<u>Long-Term Debt</u>		<u>Capital Lease Obligations</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 887,026	2,394	1,064,033	56,089
2023	-	-	709,235	33,120
2024	-	-	696,924	14,010
2025	-	-	124,044	860
Total	<u>\$ 887,026</u>	<u>2,394</u>	<u>2,594,236</u>	<u>104,079</u>

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

	<u>Balance</u> <u>Oct. 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Adjustments*</u>	<u>Balance</u> <u>Sept. 30, 2021</u>	<u>Amount due</u> <u>within one year</u>
Notes Payable	\$ 1,767,590	-	880,564	-	887,026	887,026
Capital lease obligations	<u>3,595,463</u>	<u>173,484</u>	<u>1,174,711</u>	<u>-</u>	<u>2,594,236</u>	<u>1,064,033</u>
Total	<u>\$ 5,363,053</u>	<u>173,484</u>	<u>2,055,275</u>	<u>-</u>	<u>3,481,262</u>	<u>1,951,059</u>

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

NOTE 10 - 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.

NOTE 11 - EFFECT OF DEFERRED AMOUNTS ON NET POSITION.

The governmental activities' unrestricted net position deficit amount of \$(14,589,866) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$321,493 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. The \$1,670,237 balance of the deferred outflow of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next 3 years. The \$4,973,704 balance of the deferred inflow of resources related to pension at September 30, 2021, will be recognized in pension expense over the next 4 years.

The governmental activities' unrestricted net position deficit amount of \$(14,589,866) includes the effect of deferring the recognition of revenue resulting from capital lease receivable. The \$17,704 balance of deferred inflows of resources at September 30, 2021, will be recognized as revenue and will increase the unrestricted net position in future years.

The governmental activities' net investment in capital assets net position of \$38,596,153 includes the effect of deferring the recognition of expenditures resulting for an advance refunding of County debt. The \$329,860 balance of deferred outflows of resources at September 30, 2021, will be recognized as an expense and will decrease the net investment in capital assets net position over the next 8 years.

NOTE 12 -RELATED ORGANIZATIONS.

The Leflore County Board of Supervisors is responsible for appointing a voting majority of the members of the boards of the following organizations, but the county's accountability for these organizations does not extend beyond making appointments and in making small appropriations, if any, to these organizations:

East Leflore Water & Sewer District
Minter City Water & Sewer District
Blue Lake Water & Sewer District
Philipston Water District
Teoc Drainage District

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

Big Sand Drainage District
Abiaca Drainage District
Fighting Bayou Drainage District
Pecan Bayou Drainage District
Abotapoota Drainage District
Leflore County Drainage District
New Jones Walton Drainage District
Cude Drainage District
Rucker Ellsberry Drainage District
Lake Henry Drainage District

NOTE 13 -JOINT VENTURES.

The county participates in the following joint ventures:

Leflore County is a participant with the City of Greenwood in a joint venture, authorized by Section 61-3-5, Miss. Code Ann. (1972), to operate the Greenwood-Leflore County Airport. The joint venture was created to provide airport services and is governed by a five-member board of commissioners with two appointed by the Leflore County Board of Supervisors, two appointed by the City of Greenwood and one jointly appointed. By contractual agreement, the county's appropriation from the General Fund this year to the joint venture amounted to \$133,956. Complete financial statements for the Greenwood-Leflore Airport can be obtained from the Greenwood-Leflore County Airport, P.O. Box 378, Greenwood, MS 38930.

Leflore County is a participant with the City of Greenwood in a joint venture, authorized by Section 39 -3-8, Miss. Code Ann. (1972), to operate the Greenwood-Leflore Public Library. The joint venture was created to provide library services to the public and is governed by a five-member board of which two members are appointed by Leflore County and three members are appointed by the City of Greenwood. The county's appropriation from the General Fund this year to the joint venture amounted to \$171,935. Complete financial statements for the Greenwood-Leflore Public Library can be obtained from the following address: 405 West Washington, Greenwood, MS 38930.

NOTE 14 -JOINTLY GOVERNED ORGANIZATIONS.

The County participates in the following jointly governed organizations:

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 Leflore County Board of Supervisors appoints one of the eight members of the board of commissioners. Leflore County contributed \$121,500 for the support of the center in fiscal year 2021.

Yazoo-Mississippi Delta 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 Leflore County Board of Supervisors appoints two of the 21 members of the district board of commissioners. The county levied a .75 mill tax resulting in \$179,405 for the maintenance and support of the district in fiscal year 2021.

North Central Planning and Development District operates in a district composed of the Counties of Attala, Carroll, Grenada, Holmes, Leflore, Montgomery, and Yalobusha. The Leflore County Board of Supervisors

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

appoints four of the 28 members of the district board of directors. Leflore County contributed \$33,212 for the support of the district in fiscal year 2021.

Mississippi Delta Community College operates in a district composed of the Counties of Bolivar, Coahoma, Humphreys, Issaquena, Leflore, Sharkey, Sunflower and Washington. The Leflore County Board of Supervisors appoints two of the 20 members of the college board of trustees. The county appropriated \$692,565 for maintenance and support of the college in fiscal year 2021.

Greenwood-Leflore Industrial Board members are appointed by the Greenwood-Leflore-Carroll Economic Foundation whose membership is open to the public. Leflore County and the City of Greenwood fund the industrial board equally. The county contributed \$99,227 in support of the industrial board in fiscal year 2021.

NOTE 15 - TAX ABATEMENT

Governmental Accounting Standards Board (GASB) Statement 77, *Tax Abatement Disclosures*, 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 Leflore 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 and citizenry of the County. The County had tax abatement agreements with ten entities as of September 30, 2021.

The County had abatements under the following statutes, which does not provide for the abatement of school or state tax levies: 27-31-101 and 27-31-105, Miss. Code (Ann.) 1972. All allowable property tax levies:

Category	Fiscal Year 2021	
	% of Taxes Abated	Ad Valorem Taxes Abated
Additions, expansions or equipment replacement - personal property	100%	\$930,925

The companies were not required to comply with any special provisions in order to receive the abatements and the County made no commitments as part of the agreements other than to reduce taxes.

NOTE 16 – NET PATIENT SERVICE REVENUE

Greenwood Leflore Hospital

The Hospital has agreements with governmental and other third-party payors that provide for payments to the Hospital for services rendered at amounts different from its established rates. Patient revenue is reported net of contractual adjustments arising from these third-party arrangements, as well as net of provisions for uncollectible accounts. A summary of the payment arrangements with major third-party payors follows:

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

Medicare

Inpatient acute, psychiatric, rehabilitation and outpatient services rendered to Medicare beneficiaries are paid primarily by prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Medicare bad debts and disproportionate share payments are paid at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary.

Medicaid

Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed based upon the Ambulatory Payment Classification ("APC") system for outpatient payments APR-DRG system for inpatient payments.

The Hospital participates in the Division of Medicaid ("DOM") Mississippi Hospital Access Payment ("MHAP") program (the "MHAP Program"). The MHAP Program is administered by the DOM through the Mississippi CAN coordinated care organizations ("CCO"). The CCO's subcontract with the Hospitals throughout the state for distribution of the MHAP for the purpose of protecting patient access to hospital care. The MHAP payments and the associated tax were distributed and collected in equal installments during the months of December 2019 through June 2020 and monthly thereafter. The Hospital received approximately \$8,768,000 from the MHAP program with related tax assessments of approximately \$1,987,000 recorded in operating expenses for the year ended September 30, 2021.

Laws and regulations governing the Medicare and Medicaid program are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change. The 2021 net patient service revenue did not change as a result of prior year retroactive adjustments. The Hospital's cost reports have been settled through September 30, 2017.

Other

The Hospital has also entered into payment agreements with certain other commercial insurance carriers and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates and discounts from established charges.

The composition of net patient service revenue as of September 30, 2021, includes

		<u>Amount</u>
Gross patient service revenue	\$	308,882,623
Less:		
Provisions for contractual adjustments		(195,461,022)
Provisions for bad debts		<u>(16,769,497)</u>
Net patient service revenue	\$	<u>96,652,104</u>

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

NOTE 17 - SUBSEQUENT EVENTS.

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of Leflore County evaluated the activity of the County through October 14, 2022 (the date the financial statements were available to be issued) and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements.

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

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
11/8/2021	1.24%	\$ 302,000	Lease Purchase	Ad valorem taxes
11/8/2021	1.79%	\$ 160,000	Lease Purchase	Ad valorem taxes
12/15/2021	1.60%	\$ 194,016	Lease Purchase	Ad valorem taxes
12/16/2021	1.53%	\$ 1,198,473	Lease Purchase	Ad valorem taxes

On October 29, 2018, Lavis Weathers vs. Leflore County was filed in the County Court of Leflore County. The suit alleged that Leflore County breached its contract with Plaintiff thus causing monetary damages. Neither the County's insurance carrier nor the County responded to the complaint. On January 28, 2021, an order was entered for default judgment against Leflore County in the amount of \$38,268, plus interest at the rate of 5% from and after October 28, 2018, plus all costs of court and costs of collection. Leflore County filed a motion to set aside default judgment which was heard on May 20, 2021. Leflore County was not successful on its motion to set aside default judgment. Leflore County has filed an appeal from County Court to Circuit Court regarding this case.

LEFLORE COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 10,635,671	10,975,048	10,975,048	-
Licenses, commissions and other revenue	429,600	437,818	437,818	-
Fines and forfeitures	315,000	424,747	424,747	-
Intergovernmental revenues	1,306,813	1,369,880	1,369,880	-
Charges for services	685,000	682,611	682,611	-
Interest income	138,000	109,280	109,280	-
Miscellaneous revenues	234,200	378,333	378,333	-
Total Revenues	<u>13,744,284</u>	<u>14,377,717</u>	<u>14,377,717</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	6,071,194	6,477,863	6,477,863	-
Public safety	5,587,111	5,751,863	5,751,863	-
Public works	120,000	133,956	133,956	-
Health and welfare	748,812	723,234	723,234	-
Culture and recreation	811,575	683,237	683,237	-
Conservation of natural resources	138,481	105,401	105,401	-
Economic development and assistance	253,637	240,023	240,023	-
Debt service:				
Principal	-	63,756	63,756	-
Interest	-	1,738	1,738	-
Total Expenditures	<u>13,730,810</u>	<u>14,181,071</u>	<u>14,181,071</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>13,474</u>	<u>196,646</u>	<u>196,646</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	821,984	701,515	701,515	-
Transfers out	(821,984)	(967,063)	(967,063)	-
Proceeds from long-term debt	-	162,018	162,018	-
Total Other Financing Sources and Uses	<u>-</u>	<u>(103,530)</u>	<u>(103,530)</u>	<u>-</u>
Net Change in Fund Balance	13,474	93,116	93,116	-
Fund Balances - Beginning	<u>2,396,685</u>	<u>3,654,990</u>	<u>7,483,278</u>	<u>3,828,288</u>
Fund Balances - Ending	\$ <u>2,410,159</u>	<u>3,748,106</u>	<u>7,576,394</u>	<u>3,828,288</u>

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

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 387,145	434,883	434,883	-
Road and bridge privilege taxes	310,000	327,226	327,226	-
Intergovernmental revenues	1,180,900	1,426,446	1,426,446	-
Interest income	15,000	574	574	-
Miscellaneous revenues	10,000	5,731	5,731	-
Total Revenues	<u>1,903,045</u>	<u>2,194,860</u>	<u>2,194,860</u>	<u>-</u>
EXPENDITURES				
Current:				
Public works	3,666,249	4,332,629	4,332,629	-
Debt service:				
Principal	429,728	366,151	366,151	-
Interest	-	42,875	42,875	-
Total Expenditures	<u>4,095,977</u>	<u>4,741,655</u>	<u>4,741,655</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>(2,192,932)</u>	<u>(2,546,795)</u>	<u>(2,546,795)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,515,900	1,921,602	1,921,602	-
Proceeds from long term debt	1,971,436	-	-	-
Total Other Financing Sources and Uses	<u>3,487,336</u>	<u>1,921,602</u>	<u>1,921,602</u>	<u>-</u>
Net Change in Fund Balance	1,294,404	(625,193)	(625,193)	-
Fund Balances - Beginning	<u>4,640,421</u>	<u>1,880,510</u>	<u>1,181,067</u>	<u>(699,443)</u>
Fund Balances - Ending	<u>\$ 5,934,825</u>	<u>1,255,317</u>	<u>555,874</u>	<u>(699,443)</u>

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

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ 12,000	-	-	-
Charges for services	600,000	633,064	633,064	
Interest income	1,200	1,564	1,564	
Miscellaneous income	5,000	3,840	3,840	-
Total Revenues	<u>618,200</u>	<u>638,468</u>	<u>638,468</u>	<u>-</u>
EXPENDITURES				
Current:				
Public works	834,386	981,056	981,056	-
Debt service:				
Principal	-	108,584	108,584	-
Interest	-	9,432	9,432	-
Total Expenditures	<u>834,386</u>	<u>1,099,072</u>	<u>1,099,072</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>(216,186)</u>	<u>(460,604)</u>	<u>(460,604)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	100,000	100,000	-
Total Other Financing Sources and Uses	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net Change in Fund Balance	(216,186)	(360,604)	(360,604)	-
Fund Balances - Beginning	<u>216,186</u>	<u>197,555</u>	<u>197,555</u>	<u>-</u>
Fund Balances - Ending	\$ <u>-</u>	<u>(163,049)</u>	<u>(163,049)</u>	<u>-</u>

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

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ -	2,737,109	2,737,109	-
Interest income	-	8,400	8,400	-
Total Revenues	-	2,745,509	2,745,509	-
 Excess of Revenues over (under) Expenditures	 -	 2,745,509	 2,745,509	 -
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(2,741,740)	(2,741,740)	-
Total Other Financing Sources and Uses	-	(2,741,740)	(2,741,740)	-
 Net Change in Fund Balance	 -	 3,769	 3,769	 -
Fund Balances - Beginning	-	-	-	-
 Fund Balances - Ending	 \$ -	 3,769	 3,769	 -

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

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

	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.108599%	0.107347%	0.108167%	0.109473%	0.10%	0.11%	0.11%	0.12%
County's proportionate share of the net pension liability (asset)	\$ 16,051,406	20,781,131	19,028,709	18,208,612	17,411,177	18,969,436	17,503,163	14,653,926
Covered payroll	\$ 7,977,199	7,148,008	7,044,634	6,990,613	6,792,457	6,461,740	6,710,113	7,018,089
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	201.22%	290.73%	270.12%	260.47%	256.33%	293.57%	260.85%	208.80%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

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

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

LEFLORE COUNTY
Schedule of the County's Contributions
Last 10 Fiscal Years
For the Year Ended September 30, 2021
UNAUDITED

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,278,329	1,223,581	1,153,405	1,111,943	1,069,812	1,017,724	1,056,843	1,105,349
Contributions in relation to the contractually required contribution	<u>1,278,329</u>	<u>1,223,581</u>	<u>1,153,405</u>	<u>1,111,943</u>	<u>1,069,812</u>	<u>1,017,724</u>	<u>1,056,843</u>	<u>1,105,349</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered payroll	\$ 7,346,743	7,032,076	7,130,689	7,059,951	6,792,457	6,461,740	6,710,113	7,018,089
Contributions as a percentage of covered payroll	17.40%	17.40%	16.18%	15.75%	15.75%	15.75%	15.75%	15.75%

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

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

LEFLORE COUNTY
Discretely Presented Component Unit – Greenwood Leflore Hospital
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended September 30, 2021
UNAUDITED

	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability	\$						
Interest	3,509,805	3,474,705	3,514,817	3,413,176	3,363,064	3,384,889	3,384,889
Difference between expected and actual experience	126,746	377,521	(1,120,322)	740,367	(355,795)	(294,088)	68,042
Changes of assumptions	(683,581)	876,677	382,573	(299,489)		(1,336,081)	
Benefit payments/refunds	<u>(3,327,653)</u>	<u>(2,848,623)</u>	<u>(2,665,455)</u>	<u>(2,461,722)</u>	<u>(2,320,792)</u>	<u>(2,053,702)</u>	<u>(1,965,617)</u>
Net change in total pension liability	(374,683)	1,880,280	111,613	1,392,332	686,477	(298,982)	1,487,314
Total pension liability - beginning	<u>50,140,069</u>	<u>48,259,789</u>	<u>48,148,176</u>	<u>46,755,844</u>	<u>46,069,367</u>	<u>46,368,349</u>	<u>44,881,035</u>
Total pension liability - ending (a)	\$ <u>49,765,386</u>	<u>50,140,069</u>	<u>48,259,789</u>	<u>48,148,176</u>	<u>46,755,844</u>	<u>46,069,367</u>	<u>46,368,349</u>
Plan Fiduciary Net Position							
Contributions - employer	1,598,738	1,413,913	1,340,319	1,452,904	1,367,610	1,394,632	2,517,899
Net investment income	6,100,827	3,654,209	1,826,911	2,073,394	2,883,575	2,229,987	107,212
Benefit payments/refunds	(3,327,653)	(2,848,623)	(2,665,455)	(2,461,722)	(2,320,792)	(2,053,702)	(1,965,617)
Administrative expenses	<u>(92,923)</u>	<u>(87,105)</u>	<u>(85,539)</u>	<u>(85,579)</u>	<u>(80,239)</u>	<u>(78,351)</u>	<u>(88,388)</u>
Net Change in plan fiduciary net position	4,278,989	2,132,394	416,236	978,997	1,850,154	1,492,566	571,106
Plan fiduciary net position - beginning	<u>36,009,646</u>	<u>33,877,252</u>	<u>33,461,016</u>	<u>32,482,019</u>	<u>30,631,865</u>	<u>29,139,299</u>	<u>28,568,193</u>
Plan fiduciary net position -ending (b)	\$ <u>40,288,635</u>	<u>36,009,646</u>	<u>33,877,252</u>	<u>33,461,016</u>	<u>32,482,019</u>	<u>30,631,865</u>	<u>29,139,299</u>
Net pension liability - ending (a) - (b)	\$ <u>9,476,751</u>	<u>14,130,423</u>	<u>14,382,537</u>	<u>14,687,160</u>	<u>14,273,825</u>	<u>15,437,502</u>	<u>17,229,050</u>
Plan fiduciary net position as a percent of the total pension liability	81.0%	71.8%	70.2%	69.5%	69.5%	66.5%	63.0%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percent of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note to Schedule: This schedule is intended to show a 10-year trend and is presented on the measurement date of the net pension liability. Additional years will be reported as they become available.

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

Leflore County
Discretely Presented Component Unit – Greenwood Leflore Hospital
SCHEDULE OF CONTRIBUTIONS
For the Year Ended September 30, 2021
UNAUDITED

Year Ended September 30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as % of Covered Payroll
2021	\$ 1,598,738	\$ 1,598,738	\$ -	N/A	N/A
2020	1,405,581	1,413,913	8,332	N/A	N/A
2019	1,340,319	1,340,319	-	N/A	N/A
2018	1,452,904	1,452,904	-	N/A	N/A
2017	1,367,610	1,367,610	-	N/A	N/A
2016	1,394,632	1,394,632	-	N/A	N/A
2015	2,517,899	2,517,899	-	N/A	N/A

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

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

Budgetary Comparison Schedule

A. Budgetary Information.

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

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

B. Basis of Presentation.

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

C. Budget/GAAP Reconciliation.

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

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

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

	General Fund	Road and Bridge Fund	Solid Waste Fund	COVID Fund
Budget (Cash Basis)	\$ 93,116	(625,193)	(360,604)	3,769
Increase (Decrease)				
Net adjustment for revenue accruals	(327,529)	(30,202)	9,267	(2,737,109)
Net adjustment for expenditure accruals	(391,329)	(147,640)	(14,178)	2,737,109
GAAP Basis	\$ <u>(625,742)</u>	<u>(803,035)</u>	<u>(365,515)</u>	<u>3,769</u>

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

Pension Schedules

A. Changes of assumptions.

Leflore County

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 decreased from 6% to 4%.

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.

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

- The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:
 - For males, 137% of male rates at all ages.
 - For females, 115% of female rates at all ages.
 - Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.
- The price inflation assumption was reduced from 3.00% to 2.75%.
- The wage inflation assumption was reduced from 3.25% to 3.00%.
- Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 7% to 9%.

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 assumption was reduced from 3.75% to 3.25%.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
- The percentage of active member disabilities assumed to be in the line of duty was increased from 6.00% to 7.00%.

2016

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

2015

- The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.
- The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.
- Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.
- Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.
- The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

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

B. Changes in benefit provisions.

2016

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

Method and assumptions used in calculations of actuarially determined contributions.

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

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

Component Unit
Greenwood Leflore Hospital

Summary of Assumptions and Methods Used to Determine Contributions Rates

The total pension liability as of September 30, 2021, was determined using the following actuarial assumptions, applied to all periods in the measurement:

Investment Rate of Return	7.10% percent, per annum, compounded annually
Discount Rate	7.10% percent per annum, compounded annually

The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on that assumption, 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 projected benefit payments to determine the total pension liability.

LEFLORE COUNTY

SUPPLEMENTARY INFORMATION

LEFLORE COUNTY
RECONCILIATION OF OPERATING COSTS OF SOLID WASTE
For the Year Ended September 30, 2021

Operating Expenditures, Cash Basis:

Personnel	494,799
Expendable Commodities:	
Gasoline and petroleum products	63,080
Repair parts	28,481
Office, field and shop supplies	70,337
Solid waste contract and disposal fees	22,359
Debt Service	118,016

Solid Waste Cash Basis Operating Expenditures	797,072
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Full Cost Expenses:

Indirect administrative costs	1,863
Depreciation on equipment	83,970
Net effect of other accrued expenses	(2,586)

Solid Waste Full Cost Operating Expenses	880,319
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LEFLORE COUNTY

OTHER INFORMATION

LEFLORE COUNTY
SCHEDULE OF SURETY BONDS FOR COUNTY OFFICIALS
For the Year Ended September 30, 2021
UNAUDITED

Name	Position	Company	Bond
Sam Abraham	Supervisor	Brierfield Insurance Company	100,000
Anjuan Brown	Supervisor	Brierfield Insurance Company	100,000
Robert L. Collins, Sr.	Supervisor	Brierfield Insurance Company	100,000
Reginald Moore	Supervisor	State Farm Fire and Casualty Company	100,000
Eric Mitchell	Supervisor	State Farm Fire and Casualty Company	100,000
Johnny Gary, Jr.	County Administrator	Western Surety Company	100,000
Johnny Gary, Jr.	Chancery Clerk	Western Surety Company	100,000
Elmus Stockstill	Circuit Clerk	Brierfield Insurance Company	100,000
Jasmine McClung	Deputy Circuit Clerk	Traveler's Casualty & Surety of America	75,000
Lisa Roberts	Deputy Circuit Clerk	Traveler's Casualty & Surety of America	75,000
Cheryl L. Williams	Deputy Circuit Clerk	Traveler's Casualty & Surety of America	75,000
Annie M. Conley	Tax Collector	Western Surety Company	100,000
Sheron Elliott	Deputy Tax Collector	Traveler's Casualty & Surety of America	50,000
Koneshiana Erving	Deputy Tax Collector	Traveler's Casualty & Surety of America	50,000
Deneidra Johnson	Deputy Tax Collector	Traveler's Casualty & Surety of America	50,000
Marissa Jones	Deputy Tax Collector	Traveler's Casualty & Surety of America	50,000
Pamela Keys	Deputy Tax Collector	Traveler's Casualty & Surety of America	50,000
Carolyn R. Smith	Deputy Tax Collector	Traveler's Casualty & Surety of America	100,000
Seveda Doss	Deputy Tax Collector	Traveler's Casualty & Surety of America	50,000
Leroy Ware	Tax Assessor	State Farm Fire and Casualty Company	100,000
Tyneiseca M. Epps	Deputy Tax Assessor	Traveler's Casualty & Surety of America	10,000
Kimilia R. Sigers	Deputy Tax Assessor	Traveler's Casualty & Surety of America	10,000
Martha Howard	Justice Court Clerk	Travelers Casualty & Surety Company of America	50,000
James E. Campbell, Jr.	Justice Court Judge	Brierfield Insurance Company	50,000
James K. Littleton, III	Justice Court Judge	State Farm Fire and Casualty Company	50,000
Carlos Palmer	Justice Court Judge	Traveler's Casualty & Surety of America	50,000
James Steven Pernel	Constable	Western Surety Company	50,000
Andrew McQueen	Constable	Western Surety Company	50,000
Vonzell Self	Constable	Western Surety Company	50,000
Gabriel D. Brisco	Solid Waste Clerk	Traveler's Casualty & Surety of America	50,000
Rebecca Kwong	Purchase Clerk	Traveler's Casualty & Surety of America	75,000
Tanya Gomilia	Purchase Clerk	Traveler's Casualty & Surety of America	100,000
Lashandria Young	Inventory Control Clerk	Traveler's Casualty & Surety of America	75,000
Frederick L. "Ricky" Banks	Sheriff	Brierfield Insurance Company	100,000
Cathy Mai	Receiving Clerk	Traveler's Casualty & Surety of America	75,000
Joe W. Barnes	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Jerome Thomas Blake	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
James Richard Brown, Jr.	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
James H. Brown	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Paulette Clay	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Debra Denise Edmond	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Donna R. Gibson	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Jimmy F. Gibson, Jr.	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Vernon W. Gravlee	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Robert Earl Haggie	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Angelica Denise Harris	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Deneidra Latrice Johnson	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Bobbie Jean Jones	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Bobby Norwood	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Fredrick Randle	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Kelly Harrington Roberts	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Kimilia Sigers	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Kenneth Wade Spencer	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000

LEFLORE COUNTY

SPECIAL REPORTS

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PRIVATE COMPANIES PRACTICE SECTION

**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
Leflore County, Mississippi

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund and the aggregate remaining fund information of Leflore 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 October 14, 2022. Other auditors audited the financial statements of Greenwood Leflore Hospital, component unit, as described in our report on Leflore County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting and on compliance and other matters that are reported separately by that audit.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Leflore 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 the County'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 weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Leflore County, Mississippi's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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 Leflore County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated October 14, 2022 included within this document.

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
October 14, 2022

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

Members of the Board of Supervisors
Leflore County, Mississippi

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

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

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

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

This report is intended for use in evaluating Leflore 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

October 14, 2022

LEFLORE COUNTY
Schedule of Purchases from Other Than the Lowest Bidder
For the Year Ended September 30, 2021

Schedule 1

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

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

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
6/23/2021	Sandbagger	\$ 24,448	New Steven Trust	Flooding
6/14/2021	2 Knuckleboom Trucks	\$ 302,000	Holmac	Hazardous Waste Material Removal

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

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

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LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Leflore County, Mississippi

In planning and performing our audit of the financial statements of Leflore County, Mississippi for the year ended September 30, 2021, we considered Leflore 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 Leflore 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 October 14, 2022, on the financial statements of Leflore 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>All Supervisors must Inspect the Roads and Bridges and Attest to the Clerk of the Board for having done so.</u> |
| Repeat Finding | Yes-2018-#3, 2019-#3 |
| Criteria | Section 65-7-117, <i>Mississippi Code Annotated (1972)</i> , 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.
Response	We will comply with Road & Bridges Inspections.

2. A four-year road plan must be adopted for construction and major maintenance of roads and bridges.

Repeat Finding	Yes-2018-#3,2019-#3
Criteria	<i>Section 65-7-117, Mississippi Code Annotated (1972), states “...[T]he board of supervisors shall...on or before February 1 of each year thereafter, adopt and spread upon its minutes a four-year plan for the construction and maintenance of county roads and bridges. The plan may be amended at any time by a vote of the majority of the members of the board of supervisors.”</i>
Condition	During the course of our testing we noted that a four-year road plan was not adopted and spread on the minutes.
Cause	A four-year road plan has not been adopted and spread on the minutes.
Effect	Failure to create a four-year road plan results in non-compliance with the statute and can lead to the failure to complete necessary improvements in a timely manner.
Recommendation	The Board of Supervisors should ensure that it adopts a four-year road plan and spreads it on the minutes.
Response	We will comply with adopting the 4-year road plan.

3.	<u>List of employees authorized to issue requisitions and receiving reports.</u>
Repeat Finding	No.
Criteria	<i>Sections 31-7-103 and 31-7-109, Mississippi Code Annotated (1972), state that persons must be specifically authorized to sign purchase requisitions and receiving reports.</i>
Condition	During the course of our test work, we were unable to locate a listing approved by the Board of Supervisors specifying who was authorized to sign purchase requisitions and receiving reports.
Cause	The Board of Supervisors did not approve a list that specifies those individuals with authority to sign purchase requisitions and receiving reports for each department.
Effect	Failure to specify individuals with authority to sign purchase requisitions and receiving reports could result in the loss or misappropriation of public funds.
Recommendation	The Board should annually approve a list of individuals in each department who are authorized to sign purchase requisitions and receiving reports and spread this list on the minutes.
Response	We will comply with a list of employees authorized to issue requisitions and receiving reports for approval to spread on the minutes.
4.	<u>Public Officials Should Ensure Compliance with the County Government Reorganization Act of 1988 by Delegating the Necessary Authorities to the County Administrator and Road Manager.</u>
Repeat Finding	No.
Criteria	<p><i>Section 19-2-9(1), Mississippi Code Annotated (1972), states that the countywide personnel system is to be administered by the county administrator. The board of supervisors should spread on its minutes an order delegating the authority for handling personnel matters to the county administrator.</i></p> <p><i>Section 65-17-1(2), Mississippi Code Annotated (1972), states that “the county road manager, under the policies determined by the board of supervisors and subject to the board’s general supervision and control, shall administer the county road department, superintend the working, construction and maintaining of the public roads and the building of bridges in such county, and carry out the general policies of the board in conformity with the estimates of expenditures fixed in the annual budget as finally adopted by the board or as thereafter revised by appropriate action of the board.” The board of supervisors should reflect this by adopting written personnel policies and procedures that reflect the duties of the road manager or by spreading an order on its minutes.</i></p>

Condition	During the course of our audit, we noted that there is no board order delegating authority to the county administrator over the administration of the countywide personnel system. We also noted that there is no adopted, written policy or order spread on the minutes listing the duties and authorities of the road manager.
Cause	No board order has been spread to delegate the requisite authority to the county administrator to administer the countywide personnel system, and no board order or policy adopted lists the duties and authorities of the road manager.
Effect	Failure to properly delegate the necessary authority to the county administrator and the road manager could result in noncompliance with the County Government Reorganization Act of 1988.
Recommendation	The Board should spread an order on its minutes delegating the necessary authority over the administration of the countywide personnel system to the county administrator. The Board should also either spread an order on its minutes or adopt a written policy listing the duties and authorities of the road manager.
Response	We will comply with the recommendation delegating the necessary authority over the administration of the countywide personnel system to County Administrator and adopting a list of duties for the road manager.
5.	<u>Public Officials and Employees should ensure compliance with state law over surety bonding requirements.</u>
Repeat Finding	Yes-2018-#4,2019-#4
Criteria	<i>Section 25-1-15, Mississippi Code Annotated (1972), states, "A new bond in an amount not less than that required by law shall be secured upon employment and coverage shall continue by the securing of a new bond every four (4) years concurrent with the normal election cycle of the Governor or with the normal election cycle of the local government applicable to the employee."</i>
Condition	During the course of our testing we noted the following instances of non-compliance: <ul style="list-style-type: none"> • One (1) inventory clerk was bonded with an indefinite bond • One (1) deputy tax collector was bonded with an indefinite bond • The Tax Collector was not bonded for the entire period • One (1) deputy justice court clerk was not bonded • The Road Manager was not bonded
Cause	Public Officials and the Board of Supervisors have insufficient control over the requirements for bonding officials and employees.
Effect	Failure to have a bond in place for a specific term could limit the amount available for recovery if a loss occurred over multiple terms, as well as the current terms.

Recommendation	We recommend the Board of Supervisors implement procedures to ensure that County officials' and employees' bonds meet the requirements of State Laws.
Response	We will comply and ensure that list of employees above are bonded.
6.	<u>Public officials should ensure that the avails of any tax levy imposed for a specific purpose be maintained in a separate fund and expended for the specific purpose for which it is levied.</u>
Repeat Finding	Yes,2019-#6
Criteria	Specific purpose tax levies permitted under statutory authority and required to be accounted for separately should be maintained in a separate fund and expended for the specific purpose for which it was levied.
Condition	During the course of our audit, we noted that the ad valorem taxes levied for Bridge and Culvert purposes were transferred to the Road and Bridge fund at year end.
Cause	Internal control policies and procedures regarding compliance with rules and regulations applicable to accounting for specific-purpose tax levies were not effective and allowed the avails of the Bridge and Culvert tax levy to be transferred to the Road and Bridge fund.
Effect	Non-compliance with rules and regulations applicable to accounting for specific purpose tax levies could result in the levies being improperly expended.
Recommendation	The Board of Supervisors should enhance internal control policies and procedures to obtain compliance with the rules and regulations governing the accounting for specific purpose revenues and expenditures of the Bridge and Culvert fund.
Response	We will comply and enhance internal control policies.
7.	<u>Public officials should ensure that the avails of the special one mill levy are separated from other monies collected and not spent until the certification of the tax rolls is received from the State Tax Commission.</u>
Repeat Finding	Yes,2019-#7
Criteria	<i>Section 27-39-329(b), Mississippi Code Annotated (1972)</i> , requires that the avails of the special one mill levy must be kept separate and are not able to be spent until the State Tax Commission certification is received.
Condition	During the course of our audit we noted that the avails of the special one mill levy were placed directly into the General Fund with no method of separating these monies until the Commission approved them to be spent.
Cause	Public Officials allowed the avails of the special one mill levy to be deposited directly into the General Fund without a method of segregating the money until it was lawfully allowed to be spent upon receipt of the Commission's certification.

Effect	Failure to segregate the avails of the special one mill levy make it impossible to know when the money was spent, which could result in the money being spent prior to Commission certification allowing the disbursement of those funds.
Recommendation	We recommend the Board of Supervisors keep the avails of the special one mill levy in a separate fund to ensure the monies are not spent prior to certification and approval from the Commission.
Response	We will comply and separate the avails of the 1 mill in a separate account.

Comptroller

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

Repeat Finding No

Criteria *Section 27-105-5(6), Mississippi Code Annotated (1972), states, "Public depositors shall comply with the following requirements: a) A public depositor shall ensure that the name of the public depositor and its tax identification number are on the account or certificate provided to the public depositor by the qualified public depository in a manner sufficient to disclose the identity of the public depositor; b) Not later than thirty (30) days following its fiscal year end, a public depositor shall notify the State Treasurer of its official name, address, federal tax identification number, and provide a listing of all accounts that it had with qualified public depositories, including the deposit balance in those accounts, as of its fiscal year end. A public entity established during the year shall furnish its official name, address and federal tax identification number to the State Treasurer before making any public deposit."*

Condition The Public Depositors Annual Report was not filed.

Cause The Public Depositors Annual Report was not filed by the statutory deadline.

Effect Failure to notify the State Treasurer of its official name, address, federal tax identification number, and the balance in its accounts, as of its fiscal year end, increases the risk that the County's total deposits may not be properly collateralized and results in noncompliance with *Section 27-105-5(6)*.

Recommendation We recommend the Comptroller file the Public Depositors Annual Report within thirty (30) days following fiscal year end as required by state law.

Response We will comply and ensure that the Public Depositors Annual Report is filed.

Payroll Clerk/Human Resources

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

Repeat Finding

Yes, 2018-#1, 2019-#1

Criteria

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

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

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

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

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

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

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

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

in addition to the retirement allowance, office expense allowance, mileage or travel expense authorized by any statute of the State of Mississippi; or

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

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

Condition	During the course of our audit, we noted the following: <ul style="list-style-type: none">• Three (3) retired individuals were earning in excess of the allowable amount as determined by PERS
Cause	The County did not comply with <i>Section 25-11-127, Mississippi Code Annotated (1972)</i> in that it failed to ensure proper notice to PERS, proper execution of required documents, and proper monitoring of wages to ensure the PERS cap was not exceeded.
Effect	The failure to comply with the reemployment conditions as reported on PERS Form 4B and 9C could jeopardize the provisions for reemployment.
Recommendation	The County should ensure that the statutory conditions for reemployment are met.
Response	We will comply.

Sheriff

10. The Sheriff Should Ensure Compliance with State Law Regarding the Timely Deposit of Funds.

Repeat Finding Yes, 2018-#3, 2019-#2

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 found that fourteen (14) deposits were not made in a timely manner with some deposits being held as long as eighteen (18) days prior to being deposited.

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.
Response	We will comply.

11. The Sheriff Should Strengthen Internal Control over Settlements.

Repeat Finding	Yes,2018-#4,2019-#3
Criteria	An effective system of internal control includes the timely completion of monthly settlements to the County's general fund.
Condition	During the course of our test work, we noted five (5) instances where the sheriff's office did not timely settle funds to the County's general fund by the twentieth (20 th) of the subsequent month.
Cause	The sheriff's office did not make settlements to the County's general fund by the twentieth (20 th) of the subsequent month.
Effect	Failure to make timely 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 the settlements are made on or before the twentieth (20 th) of the subsequent month.
Response	We will comply.

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

Repeat Finding	Yes,2018-#5,2019-#4
Criteria	<i>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</i>

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.
Response	We will comply.

Tax Collector

13. The Tax Collector Should Ensure Compliance with State Law Regarding the Timely Deposit of Funds.

Repeat Finding	Yes-2018-#2,2019-#3
Criteria	<i>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.”</i>
Condition	During the course of our test work, we found that twenty-two (22) deposits were not made in a timely manner with one deposit being held for five days before being deposited.
Cause	These delays are due to inadequate internal controls surrounding the statutory requirements for depositing of revenue collected in the Tax Collector’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 Tax Collector should ensure that the deposits are being made in a timely manner as prescribed by statute.
Response	I am in compliance. Deposits are made on a timely basis.

Auditor's Note	Our testing yielded the results noted above.
14.	<u>The Tax Collector is settling tax receipts not yet collected.</u>
Repeat Finding	Yes,2018-#1,2019-#2
Criteria	The Tax Collector should establish appropriate policies, procedures, and controls for the treatment of returned checks received for tax collections such that those amounts are not settled to outside entities. Further, the tax collector should follow the statutory requirements with regard to auction of property when taxes are not timely paid in full.
Condition	During the course of our test work, we found that when checks written for the payment of assessed taxes and fees were returned due to insufficient funds by the bank, the Tax Collector's office allowed taxpayers an extended period of time to repay the funds but settled monies to the applicable entities as if the taxes had been paid in full.
Cause	The Tax Collector did not establish proper policies, procedures, and controls to adequately account for returned checks.
Effect	The Tax Collector is settling funds that are not yet available to be settled and unlawfully extending due dates for taxes due such that those penalties and interest are not being collected and properties are not available for auction in accordance with statute.
Recommendation	The Tax Collector should establish proper policies, procedures, and controls to account for the treatment of returned checks such that only collected taxes are settled and penalties and interest are accurately calculated when appropriate.
Response	We will comply. Policy & procedures have been corrected.
15.	<u>The Tax Collector is settling in excess of funds collected.</u>
Repeat Finding	Yes,2018-#3,2019-#4
Criteria	Per <i>Section 27-29-11, Mississippi Code Annotated (1972)</i> , the Tax Collector should report "all taxes collected by him during the preceding month for the state, levee, and county respectively" and should "pay over all the taxes collected" to the appropriate entities.
Condition	During the course of our cash count and related reconciliation, we found that the Tax Collector had insufficient funds available on the date of the cash count to settle all outstanding liabilities. Further, during the course of our physical cash

count, we found that two drawers assigned to absent deputies did not contain the beginning funds as reflected in the ledger.

Cause	The Tax Collector has not established adequate controls over collections to ensure taxes collected, deposited, and recorded are properly accounted for and available to settle amounts due to the appropriate entities.
Effect	Inadequate controls over collections and the subsequent settlements could result in a shortage of funds available for the settlement of liabilities and improper revenue recognition.
Recommendation	The Tax Collector should ensure controls over tax collections are properly designed and implemented to assure adequate monies are available for the settlement of amounts due to the appropriate entities.
Response	Finding have been corrected. Will comply with all finding.

Jail Administrator & Sheriff

16. The Jail does not have sufficient controls over petty cash.

Repeat Finding No.

Criteria The Sheriff, through the Jail Administrator, is responsible for complying with *Section 7-7-60, Mississippi Code Annotated (1972)*, which authorizes the Office of the State Auditor to establish the guidelines for the use of a proper petty cash system.

Condition During the course of our test work, we noted a total of **\$685.58** spent for staff lunches, staff meetings, and staff appreciation.

Cause The Sheriff, through the Jail Administrator, has not established and maintained a petty cash system that is in compliance with the requirements of the Office of the State Auditor as authorized by *§ 7-7-60, Miss. Code Ann. (1972)*.

Effect The Sheriff is not in compliance with *§7-7-60, Miss. Code Ann. (1972)*, and insufficient controls over petty cash could result in the loss or misappropriation of public funds.

Recommendation The Sheriff and Jail Administrator should establish sufficient controls over petty cash to ensure compliance with the regulations established by the Office of the State Auditor for expenditures of petty cash. Petty cash should only be spent on allowable items commensurate with its intended purpose.

Response We will comply.

Chancery Clerk

17. Chancery Clerk Should Ensure Compliance with State Law over Filing the Annual Financial Report and Depositing Excess into the County General Fund.

Repeat Finding No

Criteria *Section 9-1-43(1), Mississippi Code Annotated (1972), states, "All such fees received by the office of Chancery or Circuit Clerks that are in excess of the salary limitation shall be deposited by such Clerk into the county general fund on or before April 15 for the preceding calendar year."*

Section 9-1-45(1), Mississippi Code Annotated (1972), states, "Each Chancery and Circuit Clerk shall file, not later than April 15 of each year, with the State Auditor of Public Accounts a true and accurate annual report on a form to be designed and supplied to each Clerk by the State Auditor of Public Accounts immediately after January 1 of each year. The form shall include the following information: (a) revenues subject to the salary cap, including fees; (b) revenues not subject to the salary cap; and (c) expenses of office, including any salary paid to a Clerk's spouse or children. Each Chancery and Circuit Clerk shall provide any additional information requested by the Public Employees' Retirement System for the purpose of retirement calculations."

Section 9-1-45(3), Mississippi Code Annotated (1972), states, "If the Chancery or Circuit Clerk fails to provide the reports required in this section, then the State Auditor shall give by United States certified mail, return receipt requested, written notification to the Chancery or Circuit Clerk of noncompliance. If within thirty (30) days after receipt of the notice, the Chancery or Circuit Clerk, in the opinion of the State Auditor, remains in noncompliance, the State Auditor may institute civil proceedings in a court of the county in which the Clerk serves. The court, upon a hearing, shall decide the issue and if it determines that the Clerk is not in substantial compliance, shall order the Clerk to immediately and thereafter comply. Violations of any order of the court shall be punishable as for contempt. In addition, the court in its discretion may impose a civil penalty in an amount not to exceed Five Thousand Dollars (\$5,000) upon the Clerk, for which he shall be liable in his individual capacity, for any such noncompliance that the court determines as intentional or willful."

Condition The Chancery Clerk did not deposit excess funds into the general fund in full until September 2022.

Cause The Chancery Clerk did not timely deposit excess funds into the general fund until after the statutory deadline.

Effect Failure to file an Annual Financial Report could result in a civil court proceeding and possible civil penalty in an amount not to exceed Five Thousand Dollars (\$5,000). Additionally, failure to deposit any amount in excess of his salary

limitation into the county general fund could result in misappropriation and/or loss of public funds.

Recommendation The Chancery Clerk should ensure that any amount in excess of his salary limitation is deposited into the county general fund by April 15th.

Response I will comply and make the necessary deposit on or before April 15th.

Justice Court Judges

18. Justice Court Judges Should Ensure Compliance with State Laws over Statutorily Imposed Limits on their Salary.

Repeat Finding No

Criteria *Section 25-3-36(2), Mississippi Code Annotated (1972), states, "From and after October 1, 2008, every justice court judge shall receive as full compensation for his or her services, and in lieu of any and all other fees, costs or compensation heretofore authorized for such justice court judge, an annual salary in an amount that is the greater of the following:*

(a) The amount paid to a member of the board of supervisors in the same county in which the justice court judge presides; or

(b) One hundred three percent (103%) of the salary authorized under this section as of September 30, 2008, for a justice court judge in that county.

If supervisors of a county receive a salary increase, justice court judges whose salary is determined under this paragraph shall be paid an amount reflecting a commensurate increase." **[Note: County has elected option (a).]**

Condition During the course of our test work, we noted that the members of the Board of Supervisors were entitled to an annual salary of \$41,612 based upon prior year assessed valuations. We noted that the Justice Court Judges were each paid a total salary of \$42,319.19. This resulted in an excess of **\$707.19** paid to each Justice Court Judge.

Cause The Justice Court Judges did not base their salary on the salary paid to the members of the board of supervisors as specified in *Section 25-3-36(2) of the Mississippi Code Annotated (1972)*.

Effect The Justice Court Judges were paid in excess of the statutorily allowed maximum.

Recommendation The Justice Court Judges should make sure to use the correct statutory amount for determining amounts owed for their salaries. Further, it is recommended that **each** Justice Court Judge repay the County the **\$707.19** paid in excess of statutorily allowed amounts.

Response We will notify all Justice Court Judges and we will comply.

Circuit Clerk

19. The Circuit Clerk Should Ensure Compliance with State Laws over Statutorily Imposed Limits on the Salary for Fees Not Otherwise Provided.

Repeat Finding No

Criteria *Section 25-7-13(2)(k), Mississippi Code Annotated (1972), states, "For public service not particularly provided for, the circuit court may allow the clerk, per annum, to be paid by the county on presentation of the circuit court's order, the following amount....\$5,000.00.*

However, in the counties having two (2) judicial districts, such above allowance shall be made for each judicial district."

Condition During the course of our test work, we noted that the Circuit Clerk received a total of \$7,500 for public services not particularly provided for. This resulted in an excess of **\$2,500** paid to the Clerk.

Cause The Circuit Clerk did not use the statutorily allowed amount to determine how to bill the county for public services not particularly provided for.

Effect The Circuit Clerk was overpaid for public services not particularly provided for.

Recommendation The Circuit Clerk should make sure to use the correct statutory amount for determining the amounts owed for public services not particularly provided for. Further, it is recommended that the Circuit Clerk repay the County the **\$2,500** paid in excess.

Response The Circuit Clerk of Leflore County acknowledges that there was an overpayment for \$2500.00. As a result he will not bill the county for the second half of the \$5000.00 for 2022-2023 which will be \$2500. Thanks in advance.

Leflore 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
October 14, 2022

LEFLORE COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

LEFLORE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
For the Year Ended September 30, 2021

Section 1: Summary of Auditor's Results

Financial Statements:

- | | |
|---|---------------|
| 1. Type of auditor's report issued on the financial statements: | |
| Governmental activities | Unmodified |
| Aggregate discretely presented component unit | Unmodified |
| General Fund | Unmodified |
| Road and Bridge Fund | Unmodified |
| Solid Waste Fund | Unmodified |
| COVID Fund | Unmodified |
| Aggregate remaining fund information | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiency identified? | None Reported |
| 3. Noncompliance material to the financial statements noted? | No |

Section 2: Financial Statement Findings

The results of our tests did not disclose any findings related to the financial statements that are required to be reported by *Government Auditing Standards*.