



The following document was not prepared by the Office of the State Auditor, but was prepared by and submitted to the Office of the State Auditor by a private CPA firm. The document was placed on this web page as it was submitted. The Office of the State Auditor assumes no responsibility for its content or for any errors located in the document. Any questions of accuracy or authenticity concerning this document should be submitted to the CPA firm that prepared the document. The name and address of the CPA firm appears in the document.

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



**MARSHALL COUNTY  
TABLE OF CONTENTS**

FINANCIAL SECTION .....	1
INDEPENDENT AUDITOR’S REPORT .....	2
FINANCIAL STATEMENTS .....	5
Statement of Net Position .....	6
Statement of Activities .....	7
Balance Sheet – Governmental Funds .....	8
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position .....	9
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds .....	10
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	11
Statement of Fiduciary Net Position .....	12
Statement of Changes in Fiduciary Net Position .....	13
Notes to Financial Statements .....	14
REQUIRED SUPPLEMENTARY INFORMATION .....	40
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)	
General Fund .....	41
Road Maintenance Fund .....	42
Justice Complex Expansion Fund .....	43
ARPA Fund .....	44
Schedule of the Proportionate Share of Net Pension Liability .....	45
Schedule of Pension Contributions .....	46
Schedule of the Proportionate Share of Net OPEB Liability .....	47
Schedule of OPEB Contributions .....	48
Notes to Required Supplementary Information .....	49
OTHER INFORMATION .....	54
Schedule of Surety Bonds for County Officials .....	55
SPECIAL REPORTS .....	56
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 <i>Government Auditing Standards</i> .....	57
Independent Accountant’s Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules (Required by Section 31-7-115, Miss. Code Ann. (1972)) .....	59
Limited Internal Control and Compliance Review Management Report .....	64
SCHEDULE OF FINDINGS AND RESPONSES .....	69

# **MARSHALL COUNTY**

## **FINANCIAL SECTION**

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

3528 MANOR DRIVE  
VICKSBURG, MISSISSIPPI 39180

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

MEMBERS OF  
MISSISSIPPI SOCIETY OF CPAs  
AMERICAN INSTITUTE OF CPAs  
GOVERNMENT AUDIT QUALITY CENTER  
PRIVATE COMPANIES PRACTICE SECTION

## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors  
Marshall County, Mississippi

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Marshall 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 Marshall County Library System which is a discretely presented component unit and represents 4% of the assets, (9)% of the net position, and 16% of the revenues of the 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 Marshall County Library System is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

### **Unmodified Opinions**

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

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Omission of Required Supplementary Information*

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

### *Other Information*

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2023, on our consideration of Marshall 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 Marshall 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 Marshall 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

January 30, 2023

## **MARSHALL COUNTY**

## **FINANCIAL STATEMENTS**



**MARSHALL COUNTY**  
**Statement of Net Position**  
**September 30, 2021**

**Exhibit 1**

	Primary Government Governmental Activities	Marshall County Industrial Dev. Authority	Component Units Marshall County Library	Total Component Units
ASSETS				
Cash	\$ 24,111,282	2,100,945	51,266	2,152,211
Certificates of Deposit		209,542		209,542
Investment in Chickasaw-Marshall Joint Venture		516,688		516,688
Property tax receivable	13,725,863			-
Accounts receivable, net of allowance for uncollectibles of \$581,117	7,884			-
Fines receivable, net of allowance for uncollectibles of \$3,258,177	571,180			-
Intergovernmental receivables	214,739			-
Other receivables	3,838	78,262		78,262
Restricted Cash	-		2,471	2,471
Prepaid items	-		1,791	1,791
Capital assets:				
Land and construction in progress	10,329,265			-
Other capital assets, net	72,541,364	19,272	52,816	72,088
Total Assets	121,505,415	2,924,709	108,344	3,033,053
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	3,664,281		41,510	41,510
Deferred outflows related to OPEB	-		5,389	5,389
Total Deferred Outflows of Resources	3,664,281	-	46,899	46,899
LIABILITIES				
Claims payable	631,133	50,527	1,140	51,667
Intergovernmental payables	529,986			-
Accrued interest payable	65,084			-
Amounts held in custody for others	51,983			-
Other payables	337,500			-
Unearned revenue	3,427,723			-
Accrued payroll	-		2,367	2,367
Long-term liabilities				
Due within one year:				
Capital debt	394,841			-
Non-capital debt	678,694	12,128		12,128
Net OPEB liability	-		1,118	1,118
Due in more than one year:				
Capital debt	5,531,916			-
Non-capital debt	6,295,987	66,134		66,134
Net pension liability	18,996,551		252,154	252,154
Net OPEB liability	-		22,438	22,438
Total Liabilities	36,941,398	128,789	279,217	408,006
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	5,815,340		79,361	79,361
Deferred inflows related to OPEB	-		20,155	20,155
Deferred revenues- property tax	13,725,863			
Total Deferred Inflows of Resources	19,541,203	-	99,516	99,516
NET POSITION				
Net investment in capital assets	76,943,872	19,272	52,816	72,088
Restricted:				-
General government	3,976,100			-
Public safety	1,757,675			-
Public works	5,251,777			-
Culture and recreation	229,422			-
Economic development	106,288			-
Debt service	445,375			-
Unemployment			2,471	2,471
Unrestricted	(20,023,414)	2,776,648	(278,777)	2,497,871
Total Net Position	\$ 68,687,095	2,795,920	(223,490)	2,572,430

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

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

**Exhibit 2**

					Net (Expense) Revenue and Changes in Net Position			
Functions/Programs	Expenses	Program Revenues			Primary	Component Units		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Marshall County Industrial Dev. Authority	Marshall County Library	Total Component Units
Primary government:								
Governmental activities:								
General government	\$ 7,015,876	1,894,870	1,046,420		(4,074,586)			
Public safety	5,488,106	527,880	137,997		(4,822,229)			
Public works	7,718,975	28,251	694,896	815,267	(6,180,561)			
Health and welfare	832,773		76,407		(756,366)			
Culture and recreation	547,749				(547,749)			
Conservation of natural resources	90,935				(90,935)			
Economic development and assistance	594,043			106,288	(487,755)			
Interest expense	450,992				(450,992)			
Pension expense	1,788,355				(1,788,355)			
Total Primary Government	\$ 24,527,804	2,451,001	1,955,720	921,555	(19,199,528)			
Component Units:								
Marshall County Ind. Dev. Authority	\$ 1,175,119	544,970		364,177		(265,972)		(265,972)
Marshall County Library	243,991	9,745	69,234				(165,012)	(165,012)
Total Component Units	\$ 1,419,110	554,715	69,234	364,177				(430,984)
General revenues:								
Property taxes				\$ 20,671,869				-
Road & bridge privilege taxes				515,103				-
Grants and contributions not restricted to specific programs				3,952,228	455,032	193,112		648,144
Unrestricted interest/investment income				207,608	31,646	8		31,654
Miscellaneous				795,108				-
Total General Revenues				26,141,916	486,678	193,120		679,798
Changes in Net Position				6,942,388	220,706	28,108		248,814
Net Position - Beginning, as previously reported				59,619,955	2,575,214	(253,396)		2,321,818
Prior period adjustments				1,563,803		1,798		1,798
Fund Reclassifications				560,949				-
Net Position - Beginning, as restated				61,744,707	2,575,214	(251,598)		2,323,616
Net Position - Ending	\$			68,687,095	2,795,920	(223,490)		2,572,430

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

**MARSHALL COUNTY**  
**Balance Sheet – Governmental Funds**  
**September 30, 2021**

**Exhibit 3**

	Major Funds				Other	Total
	General Fund	ARPA Fund	Road Maintenance Fund	Justice Complex Expansion Fund	Governmental Funds	Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 8,666,466	3,429,428	4,082,012	2,981,265	4,952,111	24,111,282
Property tax receivable	8,789,804		4,251,340		684,719	13,725,863
Fines receivable (net of allowance for uncollectibles of \$3,258,177)	571,180					571,180
Accounts receivable (net of allowance for uncollectibles of \$581,117)	7,884					7,884
Intergovernmental receivables	214,739					214,739
Other receivables	3,838					3,838
Due from other funds			127,102		10,245	137,347
Total Assets	<u>18,253,911</u>	<u>3,429,428</u>	<u>8,460,454</u>	<u>2,981,265</u>	<u>5,647,075</u>	<u>38,772,133</u>
<b>LIABILITIES</b>						
Claims payable	300,530		115,105		215,498	631,133
Intergovernmental payables	519,836					519,836
Due to other funds	147,497					147,497
Amounts held in custody for others	51,983					51,983
Other Payables	337,500					337,500
Unearned Revenue		3,427,723				3,427,723
Total Liabilities	<u>1,357,346</u>	<u>3,427,723</u>	<u>115,105</u>	<u>-</u>	<u>215,498</u>	<u>5,115,672</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue-property taxes	8,789,804	-	4,251,340		684,719	13,725,863
Unavailable revenue-fines	571,180					571,180
Unavailable revenue-sanitation fees	7,884					7,884
Total Deferred Inflows of Resources	<u>9,368,868</u>	<u>-</u>	<u>4,251,340</u>	<u>-</u>	<u>684,719</u>	<u>14,304,927</u>
<b>FUND BALANCE</b>						
Restricted for:						
General government		1,705		2,981,265	993,130	3,976,100
Public safety					1,757,675	1,757,675
Public works			4,094,009		1,149,884	5,243,893
Culture and recreation					229,422	229,422
Economic development					106,288	106,288
Debt service					510,459	510,459
Unassigned	7,527,697					7,527,697
Total Fund Balances	<u>7,527,697</u>	<u>1,705</u>	<u>4,094,009</u>	<u>2,981,265</u>	<u>4,746,858</u>	<u>19,351,534</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 18,253,911</u>	<u>3,429,428</u>	<u>8,460,454</u>	<u>2,981,265</u>	<u>5,647,075</u>	<u>38,772,133</u>

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

**MARSHALL 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	\$ 19,351,534
Amounts reported for governmental services 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 \$93,280,420.	82,870,629
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	579,064
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(12,901,438)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(65,084)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(18,996,551)
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	3,664,281
Deferred inflows of resources related to pensions	(5,815,340)
Total Net Position - Governmental Activities	<u>\$ 68,687,095</u>

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

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

	Major Funds				Other Governmental Funds	Total Governmental Funds
	General Fund	ARPA Fund	Road Maintenance Fund	Justice Complex Expansion Fund		
<b>REVENUES</b>						
Property taxes	\$ 13,548,842		6,156,730		966,297	20,671,869
Road and bridge privilege taxes			515,103			515,103
Licenses, commissions and other revenue	1,692,276				7,879	1,700,155
Fines and forfeitures	331,047				102,822	433,869
Intergovernmental revenues	4,175,301		1,422,371		1,231,831	6,829,503
Charges for services	145,330				339,741	485,071
Interest income	104,566	1,705	30,525	42,605	28,207	207,608
Rental income	14,841				30,502	45,343
Miscellaneous revenues	608,665		19,791		66,405	694,861
Total Revenues	20,620,868	1,705	8,144,520	42,605	2,773,684	31,583,382
<b>EXPENDITURES</b>						
Current:						
General government	7,790,387			2,458,172	19,725	10,268,284
Public safety	6,070,221				1,328,499	7,398,720
Public works	144,054		6,760,558		188,120	7,092,732
Health and welfare	840,744					840,744
Culture and recreation	406,103				141,208	547,311
Conservation of natural resources	97,702					97,702
Economic development and assistance	709,373				44,937	754,310
Debt service:						
Principal	793,782		240,489		315,493	1,349,764
Interest	268,658		2,699		183,536	454,893
Total Expenditures	17,121,024	-	7,003,746	2,458,172	2,221,518	28,804,460
Excess of Revenues over (under) Expenditures	3,499,844	1,705	1,140,774	(2,415,567)	552,166	2,778,922
<b>OTHER FINANCING SOURCES (USES)</b>						
Long-term capital debt issued	120,703					120,703
Proceeds from sale of capital assets	20,764		147,839		7,500	176,103
Transfers in				351,938	953,190	1,305,128
Transfers out	(953,190)				(351,938)	(1,305,128)
Total Other Financing Sources and Uses	(811,723)	-	147,839	351,938	608,752	296,806
Net Changes in Fund Balances	2,688,121	1,705	1,288,613	(2,063,629)	1,160,918	3,075,728
Fund Balances - Beginning, as previously reported	4,278,627	-	2,805,396	5,044,894	2,939,025	15,067,942
Prior period adjustment	-	-	-	-	646,915	646,915
Fund reclassification	560,949	-	-	-	-	560,949
Fund Balances - Beginning, as restated	4,839,576	-	2,805,396	5,044,894	3,585,940	16,275,806
Fund Balances - Ending	\$ 7,527,697	1,705	4,094,009	2,981,265	4,746,858	19,351,534

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

**MARSHALL 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 Change in Fund Balances - Governmental Funds	\$ 3,075,728
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlay of \$5,569,162 exceeded depreciation of \$2,408,600 in the current period.	3,160,562
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, while in the governmental funds, the proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net gain of \$54,904, and the proceeds from the sale of capital assets of \$176,103 in the current period.	(121,199)
Fine revenue recognized on the modified accrual basis in the funds during the current year is decreased because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	(168,094)
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.	0
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 of debt repayment of \$1,349,764 exceeds debt proceeds of \$120,703.	1,229,061
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. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Change in compensated absences	46,929
Change in accrued interest payable	3,901
Items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recognition of pension expense for the current year	(1,788,355)
Recognition of contributions made for the current year	1,503,855
Change in Net Position of Governmental Activities	\$ <u>6,942,388</u>

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

**MARSHALL COUNTY**  
**Statement of Fiduciary Net Position**  
**September 30, 2021**

**Exhibit 5**

	<b><u>Custodial Funds</u></b>
<b>ASSETS</b>	
Cash	\$ 185,325
Due from other funds	<u>10,150</u>
Total Assets	<u><u>195,475</u></u>
<b>LIABILITIES</b>	
Intergovernmental payables	<u>10,150</u>
Total Liabilities	\$ <u><u>10,150</u></u>
<b>NET POSITION</b>	
Restricted for:	
Individuals, organizations and other governments	<u>185,325</u>
Total Net Position	\$ <u><u>185,325</u></u>

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

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

**Exhibit 6**

	<u><b>Custodial Funds</b></u>
<b>ADDITIONS</b>	
Tax collections for other governments	\$ 937,979
Licenses and fees collected for State	<u>185,325</u>
Total Additions	<u><u>1,123,304</u></u>
<b>DEDUCTIONS</b>	
Payments of tax to other governments	937,979
Payments of licenses and fees to State	<u>-</u>
Total Deductions	<u><u>\$ 937,979</u></u>
Net increase (decrease) in fiduciary net position	185,325
Net Position - Beginning of year	<u>0</u>
Net Position - End of year	<u><u>\$ 185,325</u></u>

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



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

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.**

**A. Financial Reporting Entity.**

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

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

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

**B. Individual Component Unit Disclosures.**

Discretely Presented Component Units

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

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

- Marshall County Industrial Development Authority
- Marshall County Library System

The Marshall County Industrial Development Authority was organized in 1984, as authorized by the Legislature of the State of Mississippi, for the purpose of promoting economic development within Marshall County and the municipalities located there. The Legislature also authorized Marshall County and the municipalities of the county to levy an ad valorem tax to provide operating funds for the Industrial Development Authority. The Industrial Development Authority is a component unit of Marshall County, Mississippi. The Industrial Development Authority has a year end of September 30.

The Marshall County Library System operates libraries in Marshall County in Northwest Mississippi, under authority granted to it by the board of supervisors in said county. The County appoints all System board

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

members. The County provides funding for System programs through annual appropriations. The Library is a component unit of Marshall County, Mississippi. The Library has a year end of September 30.

Certified public accounting firms other than the primary government's auditor audited the financial statements for the Marshall County Library System listed above and provided these to the County as the primary government.

Financial information may be obtained from the Marshall County Administrator's office at 128 E. Van Dorn Avenue, Holly Springs, MS 38635.

**C. Basis of Presentation.**

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

**Government-wide Financial Statements:**

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

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

**Fund Financial Statements:**

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

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

and expenses are recorded when the liability is incurred or economic asset used, regardless of when the related cash flows take place. Property taxes are recognized as revenue in the year for which they are levied. Shared revenues are recognized when the provider government recognizes the liability to the County. Grants are recognized as revenues as soon as all eligibility requirements have been satisfied.

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

The County reports the following major Governmental Funds:

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

ARPA Fund – This fund is used to account for monies from The American Rescue Plan Act of 2021 that are to aid in the recovery of the effects associated with the COVID-19 pandemic.

Road Maintenance Fund – This fund is used to account for monies from specific revenue sources that are restricted for road maintenance.

Justice Complex Expansion Fund – This fund is used to account for monies from specific revenue sources that are restricted for the construction of the Justice Complex Expansion project.

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.**

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

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

**F. Deposits and Investments.**

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

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

**G. Receivables.**

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

**H. Inter-fund 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." 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 extents 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. It is the practice of the County that no depreciation is taken on purchases of capital assets during the acquisition year.

A full year's depreciation is taken for all sales or other dispositions of capital assets during the year.

The schedule on the following page details those thresholds and estimated useful lives.

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

	<u>Capitalization Thresholds</u>	<u>Estimated Service Life</u>
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 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 9 for additional details.

Deferred outflows related to OPEB – This amount represents the Marshall County Library’s proportionate share of the deferred outflows of resources reported by the OPEB plan in which the Library participates.

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

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

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

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

Deferred inflows related to pensions – This amount represents the County’s proportionate share of the deferred inflows of resources reported by the pension plan in which the County participates. See Note 9 for additional details.

Deferred inflows related to OPEB – This amount represents the Marshall County Library’s proportionate share of the deferred inflows of resources reported by the OPEB plan in which the Library participates.

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

**K. Pensions.**

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

**L. Long-term liabilities.**

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

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

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

**M. Equity Classifications.**

Government-wide Financial Statements:

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

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

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

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

Net Position Flow Assumption:

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

Fund Financial Statements:

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

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

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

*Restricted fund balance* includes amounts that have constraints placed upon the use of the resources 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 a specific purpose 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.

**N. 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 vehicle 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.

**O. 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.

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

**P. 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, Government Funds report the compensated absence liability payable only if the payable has matured, for example an employee resigns or retires.

**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 the 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.

**R. Postemployment Benefits Other than Pensions (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State and School Employees' Life and Health Plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments are recorded when the OPEB benefits come due. Investments are reported at fair value as determined by the state.

**NOTE 2 – FUND RECLASSIFICATIONS.**

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



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

**Exhibit 2 - Statement of Activities - Governmental Activities:**

Explanation	Amount
To reclassify agency funds to the General Fund for the implementation of GASB 84	\$ 560,949
Total fund reclassifications	\$ 560,949

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

Explanation	Amount
General Fund	
To reclassify agency funds to the General Fund for the implementation of GASB 84	\$ 560,949
Total fund reclassifications	\$ 560,949

**NOTE 3 – PRIOR PERIOD ADJUSTMENTS.**

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

**Exhibit 2 - Statement of Activities - Governmental Activities:**

Explanation	Amount
To adjust capital assets	\$ 916,888
To adjust intergovernmental revenues	646,915
Total prior period adjustments	\$ 1,563,803

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

Explanation	Amount
Other Governmental Funds	
To adjust intergovernmental revenues	\$ 646,915
Total prior period adjustments	\$ 646,915

**COMPONENT UNIT - MARSHALL COUNTY LIBRARY SYSTEM**

**Exhibit 2 - Statement of Activities - Governmental Activities:**

Explanation	Amount
To record prepaid expenses	\$ 1,798
Total prior period adjustments	\$ 1,798

**NOTE 4 – DEPOSITS AND INVESTMENTS**

Deposits:

The carrying amount of the County's total deposits with financial institutions as of September 30, 2021, was \$24,296,607 (which includes \$514,997 of certificates of deposit with maturities beyond three months), and the bank balance was \$24,994,953. 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

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

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.

**Investments:**

Investment balances as of September 30, 2021, are as follows:

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value Level</u>	<u>Fair Value</u>
Certificate of Deposit	Less than 1 year	Level 1	\$ 514,997

**Interest Rate Risk -** The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, Section 19-9-29, Miss. Code Ann. (1972) limits the maturity period of any investment to no more than one year.

**Credit Risk -** State law limits investments to those authorized by Sections 19-9-29 and 91-13-8, Miss. Code Ann. (1972). The county does not have a formal investment policy that would further limit its investments choices or one that addresses credit risk.

**Custodial Credit Risk - Investments.** Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The county does not have a formal policy for custodial credit risk. Of the County's investment, \$514,997 were insured by securities pledged to the State Treasurer by that institution to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

**Concentration of Credit Risk -** The County places no limit on the amount the County may invest in any one issuer. More than 5 percent of the County's investments are in Certificates of Deposit. These investments are 100% of the County's total investments and are reported in the General Fund.

<u>Investment Type</u>	<u>Fund</u>	<u>Fair Value</u>	<u>Percent of Total Investments</u>
Certificate of Deposit	General Fund	\$ 514,997	100%

**NOTE 5- INTER-FUND TRANSACTIONS AND BALANCES.**

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

A. Due From/To Other Funds:

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Road Maintenance Fund	General Fund	\$ 127,102
Other Governmental Funds	General Fund	10,245
Custodial Funds	General Fund	10,150
Total		<u>\$ 147,497</u>

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

**B. Transfers In/Out:**

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Other Governmental Funds	General Fund	\$ 953,190
Justice Complex Expansion Fund	Other Governmental Funds	351,938
Total		<u>\$ 1,305,128</u>

The purposes of interfund transfers were to cover operating expenses, cover grant matching requirements, and to transfer one mill tax levy. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

**NOTE 6 - INTERGOVERNMENTAL RECEIVABLES.**

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

Governmental Activities:

<u>Description</u>	<u>Amount</u>
State Legislative Tax Credit	\$ 214,739
Total	<u>\$ 214,739</u>

**NOTE 7 - CAPITAL ASSETS.**

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

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

<b>Governmental Activities:</b>	Balance Oct. 1, 2020	Additions	Deletions	Adjustments *	Balance Sept. 30, 2021
<b>Non-depreciable capital assets:</b>					
Land	\$ 679,339	147,000	5,000		821,339
Construction in progress	7,747,998	2,613,557		(853,629)	9,507,926
Total non-depreciable capital assets	8,427,337	2,760,557	5,000	(853,629)	10,329,265
<b>Depreciable capital assets:</b>					
Infrastructure	131,196,031	42,409		397,420	131,635,860
Buildings	16,131,194	453,750		804,211	17,389,155
Improvements other than buildings	-			940,944	940,944
Mobile equipment	9,922,865	2,062,037	802,815	1,430,692	12,612,779
Furniture and equipment	1,094,131	119,922	29,337	390,897	1,575,613
Leased Property	3,358,535	130,487		(1,821,589)	1,667,433
Total depreciable capital assets	161,702,756	2,808,605	832,152	2,142,575	165,821,784
<b>Less accumulated depreciation for:</b>					
Infrastructure	76,166,878	1,262,447			77,429,325
Buildings	4,568,864	302,936		296,780	5,168,580
Improvements other than buildings	-	37,639		75,278	112,917
Mobile equipment	8,284,898	512,794	689,550	782,408	8,890,550
Furniture and equipment	836,130	53,910	26,403	386,988	1,250,625
Leased Property	1,358,945	238,874		(1,169,396)	428,423
Total accumulated depreciation	91,215,715	2,408,600	715,953	372,058	93,280,420
Total depreciable capital assets, net	70,487,041	400,005	116,199	1,770,517	72,541,364
Total capital assets, net	\$ 78,914,378	3,160,562	121,199	916,888	82,870,629

\* Adjustments are to reclassify paid off capital leases and completed construction in progress, and to correct prior year errors.

Marshall County depreciation expense was charged to the following functions:

<b>Governmental Activities:</b>	Amount
General government	\$ 413,638
Public safety	502,891
Public works	1,490,292
Economic development	1,779
Total	\$ 2,408,600

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

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
Various road projects	\$ unknown	unknown
Amazon - Infrastructure	2,871,159	March-23
Gateway Global Drive	834,360	June-22
Justice Complex Expansion	2,981,264	March-22

**Capital Assets – Component Units:**

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

<b>Marshall County Library System</b>	Balance Oct. 1, 2020	Additions	Deletions	Adjustments	Balance Sept. 30, 2021
<u>Depreciable Capital Assets:</u>					
Library materials	\$ 213,880	19,282			233,162
Furniture and equipment	5,744				5,744
Computers and technology	23,902	2,036			25,938
Total depreciable capital assets	243,526	21,318	-	-	264,844
<u>Less accumulated depreciation for:</u>					
Library materials	164,469	19,212			183,681
Furniture and equipment	5,744				5,744
Computers and technology	21,171	1,432			22,603
Total accumulated depreciation	191,384	20,644	-	-	212,028
Total capital assets, net	\$ 52,142	674	-	-	52,816
<b>Marshall County Industrial Dev. Authority</b>	Balance Oct. 1, 2020	Additions	Deletions	Adjustments	Balance Sept. 30, 2021
<u>Depreciable Capital Assets:</u>					
Furniture and equipment	\$ 10,004				10,004
Computers and technology	14,860				14,860
Mobile equipment	19,750				19,750
Total depreciable capital assets	44,614	0	-	-	44,614
<u>Less accumulated depreciation for:</u>					
Furniture and equipment	4,812	649			5,461
Computers and technology	13,907	543			14,450
Mobile equipment	3,456	1,975			5,431
Total accumulated depreciation	22,175	3,167	-	-	25,342
Total capital assets, net	\$ 22,439	(3,167)	-	-	19,272

**NOTE 8 – CLAIMS AND JUDGEMENTS**

**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 9 - DEFINED BENEFIT PENSION PLAN.**

*General Information about the Pension Plan*

Plan Description. Marshall 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

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

by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

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

Contributions. As of September 30, 2021, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate as of 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 \$1,503,855, 1,402,363, and \$1,269,941 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 \$18,996,551 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2021, net pension liability was 0.128525 percent, which was based on a measurement date of June 30, 2021. This was an increase of .008666 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 \$1,788,355. As of

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

September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 294,935	-
Net difference between projected and actual earnings on pension plan investments	-	5,793,056
Changes of assumptions	1,456,916	-
Changes in the proportion and differences between contributions and proportionate share of contributions	1,535,517	22,284
Contributions subsequent to the measurement date	376,913	-
Total	\$ 3,664,281	5,815,340

The \$376,913 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	\$ (55,399)
2023	(227,971)
2024	(539,788)
2025	(1,704,814)
Total	\$ (2,527,972)

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 the 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 period 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

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

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 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 as of June 30, 2021, are summarized in the following table:

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

Discount Rate. The discount rate used to measure the total pension liability was 7.55 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be made at the current 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%)	Discount Rate (7.55%)	1% Increase (8.55%)
County's Proportionate share of the net pension liability	\$ 26,903,578	18,996,551	12,480,542

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

**COMPONENT UNITS**

**Marshall County Library System**

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



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

**Contributions.** The System's contributions (employer share only) to PERS for the years ending September 30, 2021, 2020 and 2019 were \$19,154, \$20,231, and \$17,655, 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 System reported a liability of \$252,154 for its proportionate share of the net pension liability. At June 30, 2021, the System's proportion was 0.001706 percent, which was a decrease of 0.000024 percent from its proportion measured as of June 30, 2020. For the year ended September 30, 2021, the System recognized pension expense of \$4,099. At September 30, 2021, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,032	-
Net difference between projected and actual earnings on pension plan investments	-	75,938
Changes of assumptions	19,403	-
Changes in the proportion and differences between contributions and proportionate share of contributions	13,580	3,423
Contributions subsequent to the measurement date	4,495	-
Total	\$ 41,510	79,361

\$4,495 reported as deferred outflows of resources related to pensions resulting from 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	\$ 533
2023	(7,332)
2024	(12,918)
2025	(22,629)
Total	\$ (42,346)

Sensitivity to the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

	1% Decrease (6.55%)	Discount Rate (7.55%)	1% Increase (8.55%)
Library's Proportionate share of the net pension liability	\$ 357,110	252,154	165,663

**NOTE 10 – Other Postemployment Benefits (OPEB)**  
**Component Unit – Marshall County Library System**

**General Information about the OPEB Plan.**

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

*Plan description.*

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

*Benefits provided.*

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

*Contributions.*

The Board has the sole authority for setting life and health insurance premiums for the Plan. The required premiums vary based on the plan selected and the type of participant. Employers pay no premiums for retirees while employees' premiums are funded primarily by their employer. The Library System's contributions to the OPEB plan for the year ended September 30, 2021, were \$1,118 which was equal to the required contributions for the year.

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

At September 30, 2021, the Library System reported a liability of \$23,556 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The basis for the Library System's proportion is determined by comparing the employer's average monthly employees participating in the Plan with the total average employees participating in the Plan in the fiscal

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

year of all employers. The allocation was utilized because the level of premiums contributed by each employer is the same for any employee regardless of plan participation elections made by the employee. At the measurement date of June 30, 2021, the Library System's proportion was 0.00365964 percent. This was a decrease of 0.00174321 percent from the proportionate share as of the measurement date of June 30, 2020.

For the year ended September 30, 2021, the Library System recognized OPEB expense (revenue) of (\$3,047). At September 30, 2021, the Library System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 26	7,366
Net difference between projected and actual earnings on OPEB plan investments	1	
Changes of assumptions	3,815	797
Changes in the proportion and differences between System contributions and proportionate share of contributions	429	11,992
System contributions subsequent to the measurement date	1,118	
Total	\$ 5,389	20,155

\$1,118 reported by the System as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in year ending September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

Year ending September 30:	Amount
2022	\$ (3,362)
2023	(3,298)
2024	(3,121)
2025	(3,342)
2026	(2,761)
Total	\$ (15,884)

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following key actuarial assumptions and other inputs:

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

Inflation	2.40%
Salary increases	2.65-17.90%, including wage inflation
Municipal Bond Index Rate	
Measurement Date	2.13%
Prior Measurement Date	2.19%
Year FNP is projected to be depleted	
Measurement Date	2021
Prior Measurement Date	2020
Single Equivalent Interest Rate, Net of OPEB Plan investment expense, including inflation	
Measurement Date	2.13%
Prior Measurement Date	2.19%
Health Care Cost Trends	
Medicare Supplement Claims Pre-Medicare	6.50% for 2022 decreasing to an ultimate rate of 4.50% by 2030

Mortality rates for service retirees were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77. For females, 84% of the female rates up to age 72 and 100% for ages above 76. 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. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females.

The demographic actuarial assumptions used in the June 30, 2021, valuation were based on the results of the last actuarial experience study, dated April 20, 2021.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation were based on a review of recent plan experience done concurrently with the June 30, 2021, valuation.

The long-term expected rate of return on OPEB plan investments is 4.50%.

*Discount rate.* The discount rate used to measure the total OPEB liability at June 30, 2021, was 2.13 percent. Since the Prior Measurement Date, the Discount Rate has changed from 2.19% to 2.13%. The trust was established on June 28, 2018 with an initial contribution of \$1,000,000. As of June 30, 2021, the trust has \$1,044,424. The fiduciary net position is projected to be depleted immediately, therefore, the Municipal Bond Index Rate is used in the determination of the discount rate for both the June 30, 2020, and the June 30, 2021, total OPEB liability. The discount rate used to measure the total OPEB liability at June 30, 2021, was based on a monthly average of the Bond Buyers General Obligation 20-year Municipal Bond Index Rate.

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

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

	<u>1% Decrease</u> <u>(1.13%)</u>	<u>Discount Rate</u> <u>(2.13%)</u>	<u>1% Increase</u> <u>(3.13%)</u>
Library's Proportionate share of the net OPEB liability	\$ 26,074	23,556	21,410

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

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate - Current</u>	<u>1% Increase</u>
Library's Proportionate share of the net OPEB liability	\$ 21,819	23,556	25,522

*OPEB plan fiduciary net position.* The fiduciary net position for the OPEB plan was \$1,044,424 as of June 30, 2021, the measurement date. Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial report that can be found at <http://knowyourbenefits.dfa.ms.gov/>.

**NOTE 11 – CAPITAL LEASES**

As Lessee:

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

<u>Classes of Property</u>	<u>Governmental Activities</u>
Mobile equipment	\$ 608,688
Building	780,000
Land	278,745
Total	1,667,433
Less: Accumulated depreciation	428,423
Leased Property Under Capital Leases	<u>\$ 1,239,010</u>

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

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

Year Ending September 30,	Governmental Activities	
	Principal	Interest
2022	\$ 204,841	\$ 20,606
2023	111,838	14,351
2024	59,692	11,298
2025	47,998	9,417
2026	49,771	7,645
2027-2031	162,617	22,051
Total	<u>\$ 636,757</u>	<u>\$ 85,368</u>

**NOTE 12 - LONG TERM DEBT.**

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
<b>A. General Obligation Bonds:</b>			
Public Improvement GO Bonds Series 2017	\$ 5,290,000	3.25	10/32
Total General Obligation Bonds	<u>\$ 5,290,000</u>		
<b>B. Capital Lease Obligations</b>			
Miller Building	16,241	5.25	03/22
Buford Building Renewal	65,855	4.20	04/24
County Office Complex Building	148,507	5.00	12/26
Workforce Development Center (Land)	245,860	4.20	03/29
2019 Ford F-150 Crew Cab 4x4	12,798	3.79	09/22
3-2019 Dodge Chargers	13,912	3.94	04/22
F-150 with Police Package	8,538	3.94	04/22
2 Ford Police Interceptors	6,056	3.94	01/22
2018 Ford F-150 XLT	1,073	3.71	10/21
2019 Ford F-150	8,802	3.94	05/22
2020 Dodge Ram 1500	14,925	2.98	06/23
3-2021 Dodge Chargers	58,938	2.78	05/23
2021 Chevrolet Silverado 1500	35,252	2.78	03/23
Total Capital Lease Obligations	<u>\$ 636,757</u>		
<b>C. Other Loans:</b>			
MDA Lighthouse Plastics CAP Loan	\$ 250,138	3.00	*
NMCC Settlement	500,000	0.00	06/26
TVA	1,833,333	variable	04/34
MDA Roxul Project	3,624,460	3.00	03/36
Total Other Loans	<u>\$ 6,207,931</u>		

\* Loan is past maturity date, and has been considered as uncollectible by Mississippi Development Authority. However, due to state statute, it is still reported as a liability on the County's financial statements.

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

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

Year Ending September 30:	General Obligation Bonds		Other Loans		Capital Lease Obligations	
	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 190,000	168,838	678,694	108,928	204,841	20,606
2023	440,000	158,600	434,413	103,071	111,838	14,351
2024	455,000	144,056	440,445	97,039	59,692	11,298
2025	470,000	129,025	446,659	90,826	47,998	9,417
2026	485,000	113,506	453,059	84,426	49,771	7,645
2027-2031	2,665,000	317,606	1,868,214	319,207	162,617	22,051
2032-2036	585,000	9,506	1,886,447	127,834		
Total	\$ <u>5,290,000</u>	<u>1,041,137</u>	<u>6,207,931</u>	<u>931,331</u>	<u>636,757</u>	<u>85,368</u>

**Legal Debt Margin** - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2021, the amount of outstanding debt was equal to 1.34% of the latest property assessments.

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

	Balance Oct. 1, 2020	Additions	Reductions	Adjustments	Balance Sept. 30, 2021	Amount due within one year
Compensated absences	\$ 813,679		46,929		766,750	
General obligation bonds	5,475,000		185,000		5,290,000	190,000
Other loans	6,814,818		606,887		6,207,931	678,694
Capital lease obligations	1,073,931	120,703	557,877		636,757	204,841
Total	\$ <u>14,177,428</u>	<u>120,703</u>	<u>1,396,693</u>	<u>-</u>	<u>12,901,438</u>	<u>1,073,535</u>

Compensated absences will be paid from the fund from which the employees' salaries were paid, which are generally the General Fund, Countywide Road Maintenance Fund, Bridge and Culvert Fund, and Other Governmental Funds.

**COMPONENT UNITS:**

**Marshall County Industrial Development Authority**

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
A. Notes Payable			
Airport note	\$ 78,262	3.25	09/27
Total Notes Payable	\$ <u>78,262</u>		

Annual debt service requirements to maturity for the following Marshall County Industrial Development Authority debt reported in the Statement of Net Position are as follows:

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

**Marshall County Industrial Development Authority**

Year Ending September 30:	Notes Payable	
	Principal	Interest
2022	\$ 12,128	2,639
2023	12,529	2,239
2024	12,942	1,826
2025	13,369	1,399
2026	13,810	958
2027	13,484	502
Total	\$ 78,262	9,563

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

**Marshall County Industrial Development Authority**

	Balance				Balance	Amount due
	Oct. 1, 2020	Additions	Reductions	Adjustments	Sept. 30, 2021	within one year
Notes payable	\$ 91,736		13,474		78,262	12,128
Total	\$ 91,736	-	13,474	0	78,262	12,128

**NOTE 13 - 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 14 – EFFECT OF DEFERRED AMOUNTS ON NET POSITION**

The governmental activities' unrestricted net position amount of (\$20,023,414) 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 \$376,913 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 \$3,287,368 balance of the deferred outflow of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next three years. The \$5,815,340 balance of the deferred inflow of resources related to pension at September 30, 2021, will be recognized in pension expense over the next four years.



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

**Note 15 – JOINT VENTURES**

The county participates in the following joint venture:

Marshall County is a participant with the City of Holly Springs in a joint venture, authorized by Section 61-3-5, Miss. Code Ann. (1972), to operate the Marshall County-Holly Springs Airport Authority. The joint venture was created to provide a governing authority for the airport facilities in Marshall County and is governed by a five-member board of commissioners. The board of commissioners is appointed as follows: Marshall County, two; City of Holly Springs, two; joint, one. The county did not appropriate any funds to the joint venture in fiscal year 2021.

**NOTE 16 - JOINTLY GOVERNED ORGANIZATIONS.**

The County participates in the following jointly governed organizations:

Communicare operates in a district composed of the Counties of Calhoun, Lafayette, Marshall, Panola, Tate and Yalobusha. The Marshall County Board of Supervisors appoints one of the six members of the board of commissioners. The county appropriated \$50,000 for Communicare in fiscal year 2021.

Northwest Mississippi Community College operates in a district composed of the Counties of Benton, Calhoun, DeSoto, Lafayette, Marshall, Panola, Quitman, Tallahatchie, Tate, Tunica and Yalobusha. The Marshall County Board of Supervisors appoints two of the 23 members of the college board of trustees. The county appropriated \$937,979 for maintenance and support of the college in fiscal year 2021.

Northeast Mississippi Planning and Development District is composed of the Counties of Alcorn, Benton, Marshall, Prentiss, Tippah, and Tishomingo. The Marshall County Board of Supervisors appoints four of the 24 members of the board of directors. The county appropriated \$75,440 for support of Northeast Mississippi Planning and Development District in fiscal year 2021.

**NOTE 17 – TAX ABATEMENT**

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

The Marshall 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 eleven entities as of September 30, 2021.

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

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

<u>Category</u>	<u>Fiscal Year 2021</u>	
	<u>% of Taxes Abated</u>	<u>Amount of Taxes Abated</u>
Additions, expansions or equipment replacment	100.00%	\$ 7,445,730

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 18 - 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 Marshall County evaluated the activity of the County through January 30, 2023 (the date the financial statements were available to be issued) and determined that the following events occurred that requires disclosure.

Subsequent to September 30, 2021, the 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>
3/9/2022	2.00%	1,250,000	MDA CAP-Loan	Ad Valorem Tax
5/6/2022	3.53%	34,790	Lease Purchase	Ad Valorem Tax
5/6/2022	3.53%	70,080	Lease Purchase	Ad Valorem Tax
5/9/2022	3.34%	123,046	Lease Purchase	Ad Valorem Tax

## **MARSHALL COUNTY**

### **REQUIRED SUPPLEMENTARY INFORMATION**

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

**UNAUDITED**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Property taxes	\$ 13,562,823	13,562,823	13,562,823	-
Licenses, commissions and other revenue	1,693,326	1,693,326	1,693,326	-
Fines and forfeitures	321,791	321,791	321,791	-
Intergovernmental revenues	4,175,301	4,175,301	4,175,301	-
Charges for services	145,330	145,330	145,330	-
Interest income	95,841	95,841	95,841	-
Miscellaneous revenues	623,506	623,506	623,506	-
Total Revenues	<u>20,617,918</u>	<u>20,617,918</u>	<u>20,617,918</u>	<u>-</u>
<b>EXPENDITURES</b>				
General government	7,563,628	7,563,628	7,563,628	-
Public safety	6,004,922	6,004,922	6,004,922	-
Public works	145,029	145,029	145,029	-
Health and welfare	840,231	840,231	840,231	-
Culture and recreation	405,134	405,134	405,134	-
Conservation of natural resources	97,772	97,772	97,772	-
Economic development and assistance	709,373	709,373	709,373	-
Debt service:				
Principal paid	793,782	793,782	793,782	-
Interest paid	268,658	268,658	268,658	-
Total Expenditures	<u>16,828,529</u>	<u>16,828,529</u>	<u>16,828,529</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>3,789,389</u>	<u>3,789,389</u>	<u>3,789,389</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	20,764	20,764	20,764	-
Transfer-in	-	-	-	-
Transfer-out	(953,190)	(953,190)	(953,190)	-
Total Other Financing Sources and Uses	<u>(932,426)</u>	<u>(932,426)</u>	<u>(932,426)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<b>2,856,963</b>	<b>2,856,963</b>	<b>2,856,963</b>	<b>-</b>
Fund Balance - Beginning	<u>(3,694,861)</u>	<u>2,794,684</u>	<u>2,794,684</u>	<u>-</u>
Fund Balance - Ending	<u><u>\$ (837,898)</u></u>	<u><u>5,651,647</u></u>	<u><u>5,651,647</u></u>	<u><u>-</u></u>

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

**MARSHALL COUNTY**  
**Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)**  
**Road Maintenance Fund**  
**For the Year Ended September 30, 2021**

**UNAUDITED**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Property taxes	\$ 6,159,747	6,159,747	6,159,747	-
Road and bridge privilege taxes	515,979	515,979	515,979	-
Licenses, commissions and other revenue	-	-	-	-
Intergovernmental revenues	1,422,371	1,422,371	1,422,371	-
Interest income	30,525	30,525	30,525	-
Miscellaneous revenues	19,791	19,791	19,791	-
<b>Total Revenues</b>	<b>8,148,413</b>	<b>8,148,413</b>	<b>8,148,413</b>	<b>-</b>
<b>EXPENDITURES</b>				
Public works	6,952,369	6,952,369	6,952,369	-
Debt service:				
Principal	240,489	240,489	240,489	-
Interest	2,699	2,699	2,699	-
<b>Total Expenditures</b>	<b>7,195,557</b>	<b>7,195,557</b>	<b>7,195,557</b>	<b>-</b>
Excess of Revenues over (under) Expenditures	952,856	952,856	952,856	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	147,839	147,839	147,839	-
<b>Total Other Financing Sources (Uses)</b>	<b>147,839</b>	<b>147,839</b>	<b>147,839</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>1,100,695</b>	<b>1,100,695</b>	<b>1,100,695</b>	<b>-</b>
Fund Balance - Beginning	(170,054)	2,368,215	2,368,215	-
Fund Balance - Ending	\$ 930,641	3,468,910	3,468,910	-

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

**MARSHALL COUNTY**  
**Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)**  
**Justice Complex Expansion Fund**  
**For the Year Ended September 30, 2021**

**UNAUDITED**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Interest income	\$ -	42,605	42,605	-
Total Revenues	-	42,605	42,605	-
<b>EXPENDITURES</b>				
General government	-	2,458,172	2,458,172	-
Total Expenditures	-	2,458,172	2,458,172	-
Excess of Revenues over (under) Expenditures	-	(2,415,567)	(2,415,567)	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer-in		351,938	351,938	-
Total Other Financing Sources (Uses)	-	351,938	351,938	-
<b>Net Change in Fund Balance</b>	-	(2,063,629)	(2,063,629)	-
Fund Balance - Beginning	-	5,044,894	5,044,894	-
Fund Balance - Ending	\$ -	2,981,265	2,981,265	-

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

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

**UNAUDITED**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
<b>REVENUES</b>				
Interest income	\$ -	1,705	1,705	-
Total Revenues	-	1,705	1,705	-
<b>EXPENDITURES</b>				
General government	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues over (under) Expenditures	-	1,705	1,705	-
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer-in	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
<b>Net Change in Fund Balance</b>	-	1,705	1,705	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ -	1,705	1,705	-

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

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

**UNAUDITED**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Marshall County</b>								
Proportion of the net pension liability (asset)	0.128525%	0.119859%	0.118148%	0.113575%	0.107956%	0.103580%	0.104444%	0.106381%
Proportionate share of the net pension liability (asset)	\$ 18,996,551	23,203,305	20,784,560	18,890,897	17,945,951	18,501,974	16,144,983	12,912,706
Covered payroll	\$ 8,545,584	7,981,122	7,694,687	7,251,815	6,925,414	6,626,219	6,525,083	6,500,406
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	222.30%	290.73%	270.12%	260.50%	259.13%	279.22%	247.43%	198.64%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.98%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%
<b>COMPONENT UNITS</b>								
<b>Marshall County Library System</b>								
Proportion of the net pension liability (asset)	0.001706%	0.001730%	0.001642%	0.001451%	0.002000%	0.002000%	0.002000%	**
Proportionate share of the net pension liability (asset)	\$ 252,154	334,908	288,860	241,344	332,468	357,250	309,161	**
Covered payroll	\$ 110,083	116,278	109,220	103,009	99,170	113,224	103,492	**
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	229.06%	288.02%	264.48%	234.29%	335.25%	315.52%	298.73%	**
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	**

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

\*\* Information is unavailable for September 30, 2014 for the Marshall County Library System.

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



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

**UNAUDITED**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Marshall County</b>								
Contractually required contribution	\$ 1,503,855	1,402,363	1,269,941	1,151,402	1,107,293	1,050,218	1,036,636	1,010,587
Contributions in relation to the contractually required contribution	<u>1,503,855</u>	<u>1,402,363</u>	<u>1,269,941</u>	<u>1,151,402</u>	<u>1,107,293</u>	<u>1,050,218</u>	<u>1,036,636</u>	<u>1,010,587</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 8,642,839	8,059,543	7,854,577	7,310,465	7,029,412	6,668,038	6,581,806	6,416,418
Contributions as a percentage of covered payroll	17.40%	17.40%	16.17%	15.75%	15.75%	15.75%	15.75%	15.75%

**COMPONENT UNITS**

**Marshall County Library System**

Contractually required contribution	\$ 19,154	20,231	17,655	16,249	15,619	17,833	16,300	**
Contributions in relation to the contractually required contribution	<u>19,154</u>	<u>20,231</u>	<u>17,655</u>	<u>16,249</u>	<u>15,619</u>	<u>17,833</u>	<u>16,300</u>	<u>**</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>**</u>
Covered payroll	\$ 110,083	116,278	109,220	103,170	99,170	113,224	103,492	**
Contributions as a percentage of covered payroll	17.40%	17.40%	16.16%	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.

\*\* Information is unavailable for September 30, 2014 for the Marshall County Library System.

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

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

**UNAUDITED**

**COMPONENT UNIT**

**Marshall County Library System**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the net OPEB liability	0.0037%	0.0054%	0.0054%	0.0054%
Proportionate share of the net OPEB liability	\$ 23,556	42,045	45,926	41,591
Covered-employee payroll	\$ 173,987	260,383	247,852	245,308
Proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	13.54%	16.15%	18.53%	16.95%
Plan fiduciary net position as a percentage of the total OPEB liability	0.16%	0.13%	0.12%	0.13%

\* The amounts presented for each fiscal year were determined as of 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. 75 was implemented for the fiscal year ended September 30, 2018, and, until a full 10 year trend is compiled, the County has only presented information for the years in which information is available.

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

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

**UNAUDITED**

**COMPONENT UNIT**

**Marshall County Library System**

	2021	2020	2019	2018
Actuarially determined contributions	\$ 1,118	1,677	1,802	1,637
Contributions in relation to the actuarially determined contributions	<u>1,118</u>	<u>1,677</u>	<u>1,802</u>	<u>1,637</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered-employee payroll	\$ 173,987	260,383	243,692	238,156
Contributions as a percentage of covered-employee payroll	0.64%	0.64%	0.74%	0.69%

\* This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 75 was implemented for the fiscal year ended September 30, 2018, and, until, a full 10 year trend is compiled, the County has only presented information for the years in which information is available. Prior year information is based on historical amounts reported in prior year audit reports.

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

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

**BUDGETARY COMPARISON SCHEDULES**

**A. Budgetary Information.**

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

	Governmental Fund Types			
	General Fund	Road Maintenance Fund	Justice Complex Expansion Fund	ARPA Fund
Budget ( Cash Basis )	\$ 2,856,963	1,100,695	(2,063,629)	1,705
Increase (Decrease)				
Net adjustments for revenue accruals	2,949	(3,894)		
Net adjustments for expenditure accruals	(171,791)	191,812		
GAAP Basis	\$ 2,688,121	1,288,613	(2,063,629)	1,705

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

**PENSION SCHEDULES**

**A. Changes of assumptions.**

**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 the 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 more closely reflect actual experience.

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.

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.

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

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 assumptions were 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% to 7%.

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.

**B. Changes in benefit provisions.**

2016

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

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

**OPEB Schedules**

**(1) Changes of assumptions**

2017: The discount rate was changed from 3.01% for the prior Measurement Date to 3.56% for the current Measurement Date.

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

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

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

2021: The discount rate was changed from 2.19% for the prior Measurement Date to 2.13% for the current Measurement Date.

**(2) Changes in benefit provisions**

2017: None

2018: None

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

2019: None

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

2021: The schedule of monthly retiree contributions was increased as of January 1, 2022. In addition, the in-network medical deductible was increased for the Select coverage beginning January 1, 2022.

- (3) Methods and assumptions used in calculations of Actuarially Determined Contributions. The Actuarially Determined Contributions rates, as a percentage of payroll, used to determine the Actuarially Determined Contribution amounts in the Schedule of Employer Contributions are calculated as of the most recent Valuation Date. The following actuarial methods and assumptions (from the June 30, 2020, actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2021:

Actuarial cost method	Entry age
Amortization method	Level dollar
Amortization period	30 years, open
Asset valuation method	Market Value of Assets
Price inflation	2.75%
Salary increases, including wage inflation	3.00% to 18.25%
Initial health care cost trend rates	
Medicare Supplement Claims	7.00%
Pre-Medicare	
Ultimate health care cost trend rates	
Medicare Supplement Claims	4.75%
Pre-Medicare	
Year of ultimate trend rates	
Medicare Supplement Claims	2028
Pre-Medicare	
Long-term investment rate of return, net of	
OPEB plan investment expense, including price inflation	2.19%



## **MARSHALL COUNTY**

## **OTHER INFORMATION**

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

Name	Position	Surety Company	Amount
Charles Terry	Supervisor District 1	Travelers Casualty & Surety	\$ 100,000
Eddie Dixon	Supervisor District 2	Travelers Casualty & Surety	100,000
Keith Taylor	Supervisor District 3	Travelers Casualty & Surety	100,000
George Zinn, III	Supervisor District 4	Travelers Casualty & Surety	100,000
Ronnie Joe Bennett	Supervisor District 5	Travelers Casualty & Surety	100,000
C.W. "Chuck" Thomas	Chancery Clerk	Travelers Casualty & Surety	100,000
Timothy Powell	County Administrator	Travelers Casualty & Surety	100,000
Juanita Dillard	Tax Assessor	Travelers Casualty & Surety	100,000
John Dehart	Deputy Tax Assessor	Travelers Casualty & Surety	10,000
Casey Hillmer	Deputy Tax Assessor	Travelers Casualty & Surety	10,000
Kelvin Dowdy	Deputy Tax Assessor	Travelers Casualty & Surety	10,000
Terry Smith	Deputy Tax Assessor	Travelers Casualty & Surety	10,000
Joyce Brown	Deputy Tax Assessor	Travelers Casualty & Surety	10,000
Susan Campbell	Deputy Tax Assessor	Travelers Casualty & Surety	10,000
Betty Byrd	Tax Collector	Travelers Casualty & Surety	100,000
Rosalyn DeBerry	Deputy Tax Collector	Travelers Casualty & Surety	50,000
June Wilson	Deputy Tax Collector	Travelers Casualty & Surety	50,000
Verneda Taylor	Deputy Tax Collector	Travelers Casualty & Surety	50,000
Cameron Rhea	Deputy Tax Collector	Travelers Casualty & Surety	50,000
Nadine Long	Deputy Tax Collector	Travelers Casualty & Surety	50,000
Sybrennia DeBerry	Deputy Tax Collector	Travelers Casualty & Surety	50,000
Jan Pipkin	Deputy Tax Collector	Travelers Casualty & Surety	50,000
Melanie Alexander	Deputy Tax Collector	Travelers Casualty & Surety	50,000
Heather Shaw	Deputy Tax Collector	Travelers Casualty & Surety	50,000
Monet Bell Autry	Circuit Clerk	Travelers Casualty & Surety	100,000
Ora Hubbard	Deputy Circuit Clerk	Travelers Casualty & Surety	50,000
Rebecca Calhoun	Deputy Circuit Clerk	Travelers Casualty & Surety	50,000
Keith Dickerson	Sheriff	Travelers Casualty & Surety	100,000
Renea Childress	Purchase Clerk	Travelers Casualty & Surety	75,000
Donna Cooper	Assistant Purchase Clerk	Travelers Casualty & Surety	50,000
Terrica Moss	Receiving Clerk	Travelers Casualty & Surety	75,000
Randy Edwards	Assistant Receiving Clerk	Travelers Casualty & Surety	50,000
Glen Skelton	Assistant Receiving Clerk	Travelers Casualty & Surety	50,000
Yolanda Jones	Assistant Receiving Clerk	Travelers Casualty & Surety	50,000
Donna Cooper	Inventory Control Clerk	Travelers Casualty & Surety	75,000
Mario Jeffries	Road Manager	Travelers Casualty & Surety	50,000
Michael Perkins	Constable	Travelers Casualty & Surety	50,000
Faldo Marion	Constable	Travelers Casualty & Surety	50,000
Flora Mae Garrison	Justice Court Judge	Travelers Casualty & Surety	100,000
Cathy Brittenum	Justice Court Judge	Travelers Casualty & Surety	100,000
Linda Loftin	Justice Court Clerk	Travelers Casualty & Surety	50,000
Kali Autry	Deputy Justice Court Clerk	Travelers Casualty & Surety	50,000
Taylor Sexton	Deputy Justice Court Clerk	Travelers Casualty & Surety	50,000
Sasha Marsh	Deputy Justice Court Clerk	Travelers Casualty & Surety	50,000
Katrina Washington	Deputy Justice Court Clerk	Travelers Casualty & Surety	50,000
Deborah Crain	Deputy Justice Court Clerk	Travelers Casualty & Surety	50,000

## **MARSHALL COUNTY**

### **SPECIAL REPORTS**

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

3528 MANOR DRIVE  
VICKSBURG, MISSISSIPPI 39180

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

MEMBERS OF  
MISSISSIPPI SOCIETY OF CPAs  
AMERICAN INSTITUTE OF CPAs  
GOVERNMENT AUDIT QUALITY CENTER  
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  
Marshall County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Marshall 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 January 30, 2023. Other auditors audited the financial statements of the Marshall County Library System, as described in our report on Marshall 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 those auditors.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 Marshall County, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters which we have reported to the management of Marshall County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated January 30, 2023, 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

January 30, 2023

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

3528 MANOR DRIVE  
VICKSBURG, MISSISSIPPI 39180

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

MEMBERS OF  
MISSISSIPPI SOCIETY OF CPAs  
AMERICAN INSTITUTE OF CPAs  
GOVERNMENT AUDIT QUALITY CENTER  
PRIVATE COMPANIES PRACTICE SECTION

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

Members of the Board of Supervisors  
Marshall County, Mississippi

We have examined Marshall County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Section 31-7-101 through 31-7-127, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2021. The Board of Supervisors of Marshall 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 Marshall 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, Marshall 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, Miss. Code Ann. (1972). 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 Marshall 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

January 30, 2023

**MARSHALL COUNTY**  
**Schedule of Purchases Not Made From 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.



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

**Schedule 2**

Our tests did not identify any emergency purchases.

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

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
12/2/2020	Defibrillator monitor	\$ 27,505	Zoll Medical
9/21/2021	Defibrillator monitor	11,391	Zoll Medical

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

3528 MANOR DRIVE  
VICKSBURG, MISSISSIPPI 39180

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

MEMBERS OF  
MISSISSIPPI SOCIETY OF CPAs  
AMERICAN INSTITUTE OF CPAs  
GOVERNMENT AUDIT QUALITY CENTER  
PRIVATE COMPANIES PRACTICE SECTION

## LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors  
Marshall County, Mississippi

In planning and performing our audit of the financial statements of Marshall County, Mississippi for the year ended September 30, 2021, we considered Marshall 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 Marshall 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 January 30, 2023, on the financial statements of Marshall 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, Miss. Code Ann. (1972), 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 areas of 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. A four-year road plan must be adopted for construction and major maintenance of such roads and bridges.

**Repeat Finding** Yes, 2020, 2019

**Criteria** §65-7-117, *Mississippi Code Annotated (1972)*, states "Each member of the Board of Supervisors shall inspect every road and bridge in the County under the jurisdiction of the County... not less than once each fiscal year. Each member shall file with the Clerk of the Board a report, under oath, of the condition of the roads

	and bridges inspected by him or her with recommendations for a four-year plan for construction and major maintenance of such roads and bridges.”
<b>Condition</b>	During the course of our testing we noted that each member certified the inspections of the roads and bridges in their districts. However, a four-year road plan was not created nor filed with the Clerk of the Board.
<b>Cause</b>	A four-year road plan has not been created or filed with the Clerk of the Board.
<b>Effect</b>	Failure to create a four-year road plan is not in compliance with statute and can lead to failure to complete necessary improvements in a timely manner.
<b>Recommendation</b>	The Board of Supervisors should ensure that they create a four-year road plan and file it with the Clerk of the Board.
<b>Response</b>	We will comply.
<b>2.</b>	<u>Public Officials and Employees should ensure compliance with state law over surety bonding requirements.</u>
<b>Repeat Finding</b>	No
<b>Criteria</b>	<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>
<b>Condition</b>	During the course of our testing we noted the following instances of non-compliance: <ul style="list-style-type: none"> <li>• One (1) individual had an indefinite bond;</li> <li>• Nine (9) individuals were bonded under a blanket crime bond;</li> <li>• The purchase clerk’s bond amount was not increased to the new statutory amount of \$100,000 (MS Code: 31-7-124, as amended and effective 7/1/2021);</li> <li>• One (1) individual was not bonded until almost a year after the hire date</li> </ul>
<b>Cause</b>	Public Officials and the Board of Supervisors have insufficient control over the requirements for bonding officials and employees.
<b>Effect</b>	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.
<b>Recommendation</b>	We recommend the Board of Supervisors implement procedures to ensure that County officials’ and employees’ bonds meet the requirements of State Laws.
<b>Response</b>	We will comply.
<b><u>Justice Court Clerk</u></b>	
<b>3.</b>	<u>Justice Court Clerk is not making timely deposits.</u>
<b>Repeat Finding</b>	Yes, 2020

<b>Criteria</b>	An effective system of internal controls requires that bank deposits be made timely.
<b>Condition</b>	During the course of our expanded test work, we found that deposits were not being made timely with nine (2) exceptions noted.
<b>Cause</b>	The Justice Court Clerk has not established a system of internal control to ensure deposits are made timely.
<b>Effect</b>	Inadequate controls surrounding the deposits of revenue collections could result in improper revenue recognition.
<b>Recommendation</b>	The Justice Court Clerk should implement an effective internal control system to ensure the accuracy and timeliness of deposits.
<b>Response</b>	This has been corrected.

#### **Circuit Clerk**

#### **4. Circuit Clerk Should Strengthen Internal Controls over Reconciling Bank Accounts.**

<b>Repeat Finding</b>	Yes, 2020, 2019
<b>Criteria</b>	An effective system of internal controls requires the bank reconciliations be prepared accurately and timely and any identified unreconciled differences be resolved in a timely manner.
<b>Condition</b>	During the course of our test work, we noted that bank reconciliations were not being completed accurately for the clerk's criminal, civil, and fee accounts.
<b>Cause</b>	The Circuit Clerk has not established a system of internal control to ensure cash accounts are accurately and timely reconciled.
<b>Effect</b>	Not performing accurate and timely bank reconciliations creates a weakness in the system of internal controls over cash and may result in the loss or misappropriation of county assets.
<b>Recommendation</b>	The Circuit Clerk should implement an effective internal control system to increase the accuracy in accounting for receipts and disbursements and to ensure that all bank accounts are reconciled monthly in an accurate and timely manner.
<b>Response</b>	All funds collected in the Marshall County Circuit Clerk's office are deposited daily in the proper accounts. At the end of each month funds are then paid out depending on how collected. Extra internal controls are being used to reconcile monthly. 2019 bank reconciliation was done by the prior Circuit Clerk.

5. Circuit Clerk Should Ensure Compliance with State Law over Maintaining a Fee Journal.

**Repeat Finding** Yes, 2020

**Criteria** *Section 9-1-43(3), Mississippi Code Annotated (1972), states, "The Circuit Clerk shall be liable on their official bond for the proper deposit and accounting of all monies received by his office. The State Auditor shall promulgate uniform accounting methods for the accounting of all sources of income by the offices of the Chancery and Circuit Clerk."*

**Condition** The Circuit Clerk did not properly maintain her fee journal to account for all monies received and expended during the year. We were unable to tie out all amounts of income and expenses reported on the Annual Financial Report.

**Cause** The Circuit Clerk did not properly maintain a fee journal during the year that was reconciled to her fee account, and all receipts and expenses were not properly recorded to match the balances reported on the Annual Financial Report.

**Effect** Failure to maintain an accurate fee journal could result in the loss or misappropriation of public funds.

**Recommendation** The Circuit Clerk should maintain an accurate and complete accounting system that encompasses all her income and expenses. It is further recommended that the Clerk seek the assistance of an accountant or other person familiar with the unique aspects of her office to maintain or establish a proper accounting system.

**Response** Marshall County has noted it is my responsibility to pay Harris-Delta for adding a fee journal to the computer system used to receipt all fees. All fees collected are placed in the proper fee account and the bank accounts do reflect the proper amounts collected. Moving forward the fee journal will be prepared by a professional accountant. All fees placed in the fee account reflect amounts receipted monthly in the Criminal and Civil Journals.

**Sheriff**

6. The Sheriff Should Strengthen Internal Control over Settlements.

**Repeat Finding** No

**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 one (1) instance where the sheriff's office did not timely settle funds to the County's general fund by the twentieth (20<sup>th</sup>) of the subsequent month.

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

**Response** I will comply.

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

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

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

January 30, 2023

## **MARSHALL COUNTY**

### **SCHEDULE OF FINDINGS AND RESPONSES**



MARSHALL 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 units                  | Unmodified    |
| General Fund  | Unmodified    |
| ARPA Fund   | Unmodified    |
| Road Maintenance Fund   | Unmodified    |
| Justice Complex Expansion Fund                                  | Unmodified    |
| Aggregate remaining fund information                            | Unmodified    |
| 2. Internal control over financial reporting:                   |               |
| a. Material weakness 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*.