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OKTIBBEHA COUNTY
Audited Financial Statements
For the Year Ended September 30, 2021

OKTIBBEHA COUNTY
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OKTIBBEHA COUNTY

FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

County Administrator and Members of the Board of Supervisors
Oktibbeha County, Mississippi

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Unit

The financial statements do not include financial data for the County's legally separate component unit. Accounting principles generally accepted in the United States of America require the financial data for this component unit to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component unit. The County has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues and expenses of the aggregate discretely presented component units would have been presented as \$100,846,989, \$13,778,904, \$87,068,085, \$77,997,746 and \$73,317,862.

Adverse Opinion

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

Unmodified Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules and corresponding notes, the Schedule of Changes in Total OPEB Liability and Related Ratios, the Schedule of the County's Proportionate Share of the Net Pension Liability, and the Schedule of County Contributions on pages 5-13 and pages 50-61 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Oktibbeha County, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulation Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 6, 2023 on our consideration of Oktibbeha 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 Oktibbeha 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 Oktibbeha County, Mississippi's internal control over financial reporting and compliance.

Watkins, Ward and Stafford, PLLC
Louisville, Mississippi
November 6, 2023

Watkins Ward and Stafford, PLLC

OKTIBBEHA COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

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

INTRODUCTION

The discussion and analysis of Oktibbeha County's financial performance provides an overall narrative review of the County's financial activities for the year ended September 30, 2021. The intent of this discussion and analysis is to look at the County's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the County's financial performance.

This discussion and analysis are an element of required supplementary information specified in the "Governmental Accounting Standards Board's (GASB) Statement No. 34 - Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments" issued June 1999. Certain comparative information between the current year and the prior year has been presented as required.

Oktibbeha County is located in northeastern Mississippi. The population, according to the 2020 census is 51,788. The local economic base is mainly Manufacturing, Research/Technology, and Mississippi State University.

FINANCIAL HIGHLIGHTS

Oktibbeha County is financially stable. The County has committed itself to financial excellence for many years by using sound financial planning, budgeting and strong internal controls. The County is committed to maintaining sound fiscal management to meet the challenges of the future.

Oktibbeha County continues to grow both economically and in population. This has allowed the County to maintain a steady growth in tax revenues without a significant tax increase.

Total net position increased \$9,333,857 which includes a fund reclassification of (\$73,247). This represents an increase of 23.94% from the prior fiscal year. The County's ending cash balance increased by \$9,945,407 from the prior fiscal year.

The County had \$34,998,516 in total revenues. Property tax revenues account for \$21,325,782 or 60.93% of total revenues. Intergovernmental revenues in the form of reimbursements, shared revenue or grants, account for \$8,038,321 or 22.97% of total revenues.

The County had \$25,591,412 in total expenses, which represents a decrease of \$214,981 or 0.83% decrease from the prior fiscal year. Expenses in the amount of \$10,183,585 were offset by charges for services, grants or outside contributions. General revenues of \$24,814,931 were adequate to provide for the remainder of the expenses.

Among major funds, the General Fund had \$15,210,261 in revenues and \$13,019,481 in expenditures. The General Fund's fund balance increased by \$2,080,892 which includes the excess revenues over expenses of \$2,190,780 less the decrease from the net effect of other financing sources and uses of \$109,888. The other financial sources and uses includes the compensation for loss of capital assets of \$32,710 and net transfer out to other government funds of \$142,598.

Among major funds, the American Rescue Plan Fund had \$2,281 in revenues. The American Rescue Plan Fund's fund balance increased by \$2,281 which includes the excess of revenue over expenses of \$2,281.

Among major funds, the Countywide Road Maintenance Fund had \$4,465,072 in revenue and \$3,770,134 in expenditures. The Countywide Road Maintenance Fund's fund balance had an increase of \$1,577,269 from the prior year which includes the excess of revenues over expenses of \$694,938 plus the increase from the net effect of other financing sources and uses of \$882,331. The other financing sources and uses includes long-term capital debt issued of \$515,480; proceeds from the sale of capital assets of \$316,873; and compensation for loss of capital assets in the amount of \$49,978.

Among major funds, the State Aid Road Fund had \$2,806,820 in revenues and \$4,398,714 in expenditures. The State Aid Road Fund's fund balance had a decrease of \$1,591,894 which includes the excess of expenses over revenues of \$1,591,894.

Capital assets, net of accumulated depreciation, increased by \$4,978,140. The primary reason for this increase was construction of road projects around the county.

Long-term debt decreased by \$2,158,641 which does not include the decrease in bond premiums. The primary reason for this decrease was the principal payments on various general obligation bonds and capital leases.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) Government-wide financial statements, 2) Fund financial statements and 3) Notes to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Figure 1 – Required Components of the County's Annual Report

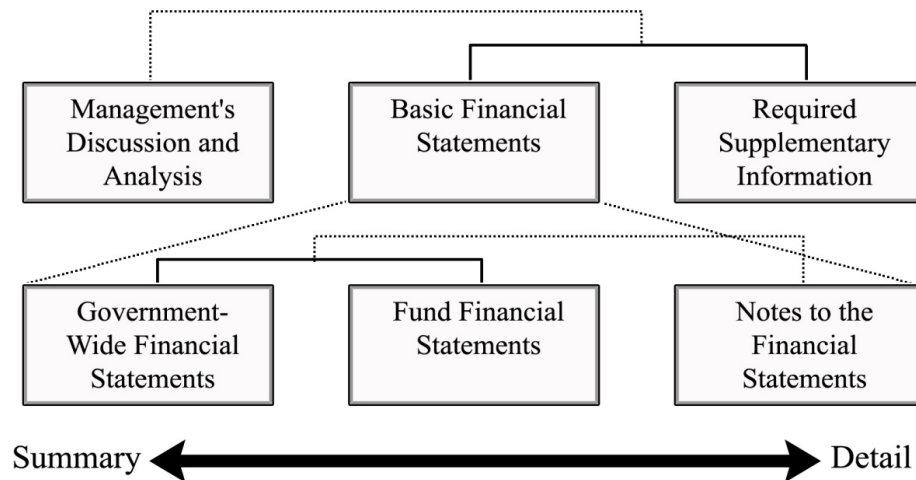


Figure 1 shows how required parts of this annual report are arranged and relate to one another.

Figure 2 summarizes the major features of the County's financial statements, including the portion of the County's government they cover and the types of information they contain. The remainder of this section of Management's Discussion and Analysis explains the structure and content of each of the statements.

Figure 2 — Major Features of the County's Government-Wide and Fund Financial Statements

	Government Wide Financial Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire County government (except Fiduciary funds) and component units	All activities of the County that are not business-type or Fiduciary in nature	the County are the trustee or agent for someone else's resources
Required financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of Activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues expenditures and changes in fund balances 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital and short and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short and long term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services are received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the County finances, in a manner similar to private-sector businesses.

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

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

Both of these government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or part of their costs through user fees and charges (business-type activities). However, the County had no business-type activities. The governmental activities of the County include general government; public safety; public works (roads and bridges); health and welfare; culture and recreation; education; conservation of natural resources; economic development; interest on long-term debt; pension expense and OPEB expense.

The Government-wide Financial Statements can be found on pages 15 and 16 of this report.

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financing requirements. Governmental funds include the general, special revenue, debt service, and capital projects funds.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the "Governmental Funds Balance Sheet" and the "Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances" provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are on pages 18 and 20, respectively.

The County maintains individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for all major funds. All other non-major funds are combined together and presented in these reports as other governmental funds.

The basic governmental funds financial statements can be found on pages 17 and 19 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the County government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accrual basis of accounting is used for Fiduciary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The County's Fiduciary activities are presented in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position, which can be found on page 21 and 22 of this report.

Notes to financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 23 through 48 of this report.

In addition to the basic financial statements and accompanying notes, this report also presents **Required Supplementary Information** concerning the County's budget process.

The County adopts an annual operating budget for all governmental funds. A budgetary comparison schedules has been provided for the General Fund and each additional major special revenue fund. This required supplementary information can be found on pages 50 through 53 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position —Net position may serve over time as a useful indicator of government's financial position. In the case of Oktibbeha County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$48,327,035 as of September 30, 2021.

By far, the largest portion of the County's net position 120.39% reflects its investment in capital assets (e.g. roads, bridges, land, buildings, mobile equipment, furniture & equipment, leased property under capital lease and construction in progress) less related outstanding debt used to acquire such assets. The county uses these capital assets to provide services to its citizens.

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

The following table presents a summary of the County's net position for the fiscal year ended September 30, 2021 as compared to September 30, 2020.

	Governmental Activities 2021	Governmental Activities 2020
Current assets	\$ 62,461,664	55,470,688
Capital assets, net	70,391,076	65,412,936
Total assets	132,852,740	120,883,624
Deferred outflow of resources	2,901,747	2,658,264
Current liabilities	8,471,203	2,480,383
Long-term liabilities	56,086,563	61,368,158
Total liabilities	64,557,766	63,848,541
Deferred inflows of resources	22,869,686	20,700,169
Net position:		
Net investment in capital assets	58,178,890	52,458,305
Restricted	17,287,023	17,062,659
Unrestricted	(27,138,878)	(30,527,786)
Total net position	\$ 48,327,035	38,993,178

The following are significant current year transactions that have had an impact on the Statement of Net Position

- The increase in capital assets of \$4,978,140 primarily related construction on various road projects.
- The decrease in long term liabilities of \$2,158,641, which does not include the decrease in bond premiums, primarily related to the payment of principal on general obligation bonds and capital leases.

Changes in Net Position - Oktibbeha County's total revenues for the fiscal year ending September 30, 2021 were \$34,998,516. The total cost for all services provided were \$25,591,412. The total change in net position of \$9,333,857 included a current period increase of \$9,407,104 and a fund reclassification of (\$73,247).

	2021	2020
Revenues:		
Program revenues:		
Charges for services	\$ 3,337,365	2,569,027
Operating grants & contributions	3,343,849	2,138,317
Capital grants & contributions	3,502,371	1,639,515
General revenues:		
Property taxes	21,325,782	22,478,306
Road & bridge privilege taxes	489,949	482,504
Grants & contributions not restricted to to specific programs	1,192,101	1,022,541
Unrestricted Gifts & Donations	315,607	20,000
Unrestricted interest income	21,100	886,739
Miscellaneous	1,470,392	2,490,174
Total revenues	<u>34,998,516</u>	<u>33,727,123</u>
Expenses		
General government	6,551,574	6,606,582
Public safety	5,848,195	5,613,709
Public works	6,208,771	6,499,992
Health and welfare	261,538	1,702,920
Culture and recreation	240,707	249,229
Education	264,372	266,534
Conservation of natural resources	130,722	130,161
Economic development & assistance	3,714,163	1,253,523
Interest on long-term debt	1,078,549	1,132,710
Pension expense	1,052,084	2,155,903
OPEB expense	240,737	195,130
Total expenses	<u>25,591,412</u>	<u>25,806,393</u>
Change in net position	9,407,104	7,920,730
Fund reclassification	<u>(73,247)</u>	<u>-</u>
Total change in net position	<u>\$ 9,333,857</u>	<u>7,920,730</u>

Governmental Activities - The following table presents the cost of the major functional activities of the County: General Government, Public Safety, Public Works, Health & Welfare, Culture and Recreation, Education, Conservation of Natural Resources Economic Development and Assistance, Interest on Long Term Debt, Pension Expense and OPEB Expense.

The table also shows each function's net cost (total cost less charges for services generated by the activity and intergovernmental aid provided for that activity). The net cost shows the financial burden that was placed on Oktibbeha County's taxpayers by each of these functions.

	Total Cost	Net Cost
General government	\$ 6,551,574	\$ 5,765,563
Public safety	5,848,195	4,817,067
Public works	6,208,771	(438,459)
Health and welfare	261,538	193,803
Culture & recreation	240,707	236,407
Education	264,372	264,372
Conservation of natural resources	130,722	130,722
Economic development & assistance	3,714,163	2,066,982
Interest on long term debt	1,078,549	1,078,549
Pension expense	1,052,084	1,052,084
OPEB expense	240,737	240,737

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

Governmental funds — Oktibbeha County's governmental funds reported a combined fund balance of \$35,505,079 a current period net increase of \$2,299,435, net of a fund reclassification of (\$73,247). The primary reasons for this decrease are highlighted in the analysis of governmental activities. In addition, other factors that affected ending fund balance are as follows:

Excess of expenditures over revenues of \$1,447,523; plus, the net effect of other financing sources of \$925,159. Other financing sources include the issuance of long-term debt of \$515,480 for the purchase of new equipment; the proceeds from sale of capital assets in the amount of \$326,991; and the compensation for loss of assets of \$82,668.

The General Fund is the principal operating fund of the County, and did have an increase in the year-end fund balance over the prior year of \$2,080,892.

BUDGETARY HIGHLIGHTS OF MAJOR FUNDS

Over the course of the year, Oktibbeha County revised its annual operating budget on several occasions. Significant budget amendments are explained as follows:

Budgeted revenues from state and federal sources were amended to account for grants awarded.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets — As of September 30, 2021, Oktibbeha County's total gross capital assets were \$139,968,397. This includes roads, bridges, other infrastructure, land, buildings, mobile equipment, furniture and equipment, leased property under capital lease and construction in progress. This amount represents an increase from the previous year of \$6,238,728, which included, an increase of \$78,409 in mobile equipment, an increase of \$253,323 in furniture and equipment, an increase of \$245,480 in lease- purchases of equipment, an increase of \$1,435,194 of additional bridge and road projects, and an increase of \$4,226,322 in construction in process of road, bridges and buildings.

Total accumulated depreciation as of September 30, 2021 was \$69,577,321 which includes \$2,249,780 of depreciation expense for the current year. The balance in total net capital assets was \$70,391,076 at year-end.

Additional information on Oktibbeha County's capital assets is in note 6 on page 33 of this report.

Debt Administration — At September 30, 2021, Oktibbeha County had \$37,175,959 in long-term debt outstanding. This includes general obligation bonds, other loans and obligations under capital lease. Of this debt, \$2,707,150 is due within one year.

The State of Mississippi limits the amount of debt a county can issue to generally 15% of total assessed value unless the debt is hospital related and the limit is increased to 20%. Oktibbeha County's allowable debt limit is 20% of total assessed value. The County's outstanding debt as of September 30, 2021 was equal to 8.15% of the latest property assessments.

Additional information on Oktibbeha County's long-term debt can be found in note 11 on page 43 of this report.

CURRENT AND FUTURE ITEMS OF IMPACT

With Mississippi State University located in Oktibbeha County, the City of Starkville and the County continue to reap the benefits of the staff and now over 21,000 students living in the community almost year-round has a positive impact on the local economy. Apartment complexes continue to be built to keep up with the demand for off-campus student housing. Oktibbeha County's assessed valuation has increased greater than 4% annually which continues to have a positive impact on the county's millage rates.

Through the partnership with the Golden Triangle Economic Development Link, Oktibbeha County and the City of Starkville continue with the development of the NorthStar Industrial Park site. Garan Manufacturing's new building is now under construction in the industrial park.

With the county's partnership in the Link and MSU's continued student growth, the future looks very bright for Oktibbeha County.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the County's finances and to demonstrate the County's accountability for the funds it receives. If you have questions about this report or need additional financial information, please contact Emily Garrard, Oktibbeha County Administrator at P.O. Box 80285, Starkville, Mississippi 39759.

OKTIBBEHA COUNTY

FINANCIAL STATEMENTS

OKTIBBEHA COUNTY
Statement of Net Position
September 30, 2021

Exhibit 1

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
ASSETS	
Cash	\$ 40,662,072
Property tax receivable	17,354,014
Accounts receivable (net of allowance for uncollectibles of \$2,459,459)	156,796
Fines receivable (net of allowance for uncollectibles of \$6,268,712)	1,255,936
Intergovernmental receivables	1,119,711
Other receivables	50,608
Prepaid items	1,862,527
Capital assets:	
Land and construction in progress	12,208,170
Other capital assets, net	58,182,906
Total Assets	<u>132,852,740</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	2,102,537
Deferred outflows related to postemployment benefits	799,210
Total Deferred Outflows of Resources	<u>2,901,747</u>
 LIABILITIES	
Claims payable	2,007,623
Intergovernmental payables	691,231
Accrued interest payable	375,526
Unearned revenue	4,945,019
Other payables	340,210
Claims and judgments payable	111,594
Long-term liabilities:	
Due within one year:	
Capital debt	1,136,146
Non-capital debt	1,571,004
Other postemployment benefits payable	94,162
Due in more than one year:	
Capital debt	11,076,040
Non-capital debt	23,392,769
Other postemployment benefits payable	2,968,859
Net pension liability	15,847,583
Total Liabilities	<u>64,557,766</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	4,952,805
Deferred inflows related to postemployment benefits	562,867
Deferred revenues - property taxes	17,354,014
Total Deferred Inflows of Resources	<u>22,869,686</u>
 NET POSITION	
Net investment in capital assets	58,178,890
Restricted for:	
Expendable:	
General government	510,198
Public safety	2,092,583
Public works	9,745,173
Health and welfare	2,282
Economic development and assistance	685,671
Debt service	4,251,116
Unrestricted	(27,138,878)
Total Net Position	<u>\$ 48,327,035</u>

The accompanying notes to financial statements are an integral part of these statements.

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

Exhibit 2

					Net (Expense) Revenue and Changes in Net Position
<u>Program Revenues</u>					
			Operating Grants and Contributions	Capital Grants and Contributions	<u>Primary Government Governmental Activities</u>
<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>			
Primary government:					
Governmental activities:					
General government	\$ 6,551,574	682,595	98,179	5,237	(5,765,563)
Public safety	5,848,195	749,760	126,368	155,000	(4,817,067)
Public works	6,208,771	1,905,010	1,400,086	3,342,134	438,459
Health and welfare	261,538	-	67,735	-	(193,803)
Culture and recreation	240,707	-	4,300	-	(236,407)
Education	264,372	-	-	-	(264,372)
Conservation of natural resources	130,722	-	-	-	(130,722)
Economic development and assistance	3,714,163	-	1,647,181	-	(2,066,982)
Interest on long-term debt	1,078,549	-	-	-	(1,078,549)
Pension expense	1,052,084	-	-	-	(1,052,084)
OPEB expense	240,737	-			(240,737)
Total Governmental Activities	\$ 25,591,412	3,337,365	3,343,849	3,502,371	(15,407,827)
General revenues:					
Property taxes				\$ 21,325,782	
Road & bridge privilege taxes				489,949	
Grants and contributions not restricted to specific programs				1,192,101	
Unrestricted interest income				315,607	
Unrestricted gifts and donations				21,100	
Miscellaneous				1,470,392	
Total General Revenues				24,814,931	
Changes in Net Position				9,407,104	
Net Position - Beginning, as previously reported					38,993,178
Fund reclassification					(73,247)
Net Position - Beginning, as restated					38,919,931
Net Position - Ending					\$ 48,327,035

The accompanying notes to financial statements are an integral part of these statements.

OKTIBBEHA COUNTY
Balance Sheet - Governmental Funds
September 30, 2021

Exhibit 3

	Major Funds					
	General Fund	American Rescue Plan Fund	Countywide Road Maintenance Fund	State Aid Road Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 19,710,324	4,818,128	3,356,737	2,190	12,774,693	40,662,072
Property tax receivable	10,061,560	-	2,070,342	-	5,222,112	17,354,014
Accounts receivable (net of allowance for uncollectibles of \$2,459,459)	-	-	-	-	156,796	156,796
Fines receivable (net of allowance for uncollectibles of \$6,268,712)	1,255,936	-	-	-	-	1,255,936
Intergovernmental receivables	397,726	-	68,127	389,370	264,488	1,119,711
Other receivables	12,476	-	33	-	38,099	50,608
Due from other funds	-	-	71,173	-	180,164	251,337
Prepaid items	-	-	-	1,862,527	-	1,862,527
Total Assets	<u>\$ 31,438,022</u>	<u>4,818,128</u>	<u>5,566,412</u>	<u>2,254,087</u>	<u>18,636,352</u>	<u>62,713,001</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES:						
Claims payable	\$ 686,753	-	180,790	389,370	750,710	2,007,623
Intergovernmental payables	662,844	-	26,706	-	1,681	691,231
Due to other funds	251,337	-	-	-	-	251,337
OPEB liability	68,462	-	9,572	-	16,128	94,162
Unearned revenue	-	4,815,847	-	-	129,172	4,945,019
Other payables	340,210	-	-	-	-	340,210
Claims and judgments payable	111,594	-	-	-	-	111,594
Total Liabilities	<u>\$ 2,121,200</u>	<u>4,815,847</u>	<u>217,068</u>	<u>389,370</u>	<u>897,691</u>	<u>8,441,176</u>
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenue - property taxes	10,061,560	-	2,070,342	-	5,222,112	17,354,014
Unavailable revenue - accounts receivable	-	-	-	-	156,796	156,796
Unavailable revenue - fines receivable	1,255,936	-	-	-	-	1,255,936
Total Deferred Inflows of Resources	<u>\$ 11,317,496</u>	<u>-</u>	<u>2,070,342</u>	<u>-</u>	<u>5,378,908</u>	<u>18,766,746</u>
FUND BALANCES:						
Nonspendable:						
Prepaid items	-	-	-	1,862,527	-	1,862,527
Restricted for:						
General government	-	-	-	-	510,198	510,198
Public safety	-	-	-	-	2,092,583	2,092,583
Public works	-	-	3,279,002	2,190	4,444,658	7,725,850
Health and welfare	-	2,281	-	-	1	2,282
Economic development and assistance	-	-	-	-	685,671	685,671
Debt service	-	-	-	-	4,626,642	4,626,642
Unassigned	17,999,326	-	-	-	-	17,999,326
Total Fund Balances	<u>\$ 17,999,326</u>	<u>2,281</u>	<u>3,279,002</u>	<u>1,864,717</u>	<u>12,359,753</u>	<u>35,505,079</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 31,438,022</u>	<u>4,818,128</u>	<u>5,566,412</u>	<u>2,254,087</u>	<u>18,636,352</u>	<u>62,713,001</u>

The accompanying notes to financial statements are an integral part of these statements.

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

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 35,505,079
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$69,577,321.	70,391,076
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	
Fines receivable	1,255,936
Accounts receivable	156,796
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(37,175,959)
Other postemployment benefits that were not due and payable in the current period and, therefore, were not reported in the funds.	(2,968,859)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(15,847,583)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(375,526)
Deferred outflows and inflows of resources related to pensions and other postemployment benefits are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	2,102,537
Deferred outflows of resources related to postemployment benefits	799,210
Deferred inflows of resources related to postemployment benefits	(562,867)
Deferred inflows of resources related to pensions	<u>(4,952,805)</u>
Total Net Position - Governmental Activities	\$ <u><u>48,327,035</u></u>

The accompanying notes to financial statements are an integral part of these statements.

OKTIBBEHA COUNTY

Exhibit 4

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

	Major Funds					
	General Fund	American Rescue Plan Fund	Countywide Road Maintenance Fund	State Aid Road Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property taxes	\$ 12,344,162	-	2,583,451	-	6,398,170	21,325,783
Road and bridge privilege taxes	6,060	-	483,889	-	-	489,949
Licenses, commissions and other revenue	537,025	-	362	-	31,420	568,807
Fines and forfeitures	370,850	-	-	-	3,987	374,837
Intergovernmental revenues	927,034	-	1,373,356	2,806,820	3,194,947	8,302,157
Charges for services	285,736	-	-	-	1,756,099	2,041,835
Interest income	176,379	2,281	18,912	-	118,035	315,607
Miscellaneous revenues	563,015	-	5,102	-	1,231,708	1,799,825
Total Revenues	15,210,261	2,281	4,465,072	2,806,820	12,734,366	35,218,800
EXPENDITURES						
Current:						
General government	6,419,159	-	-	-	478,669	6,897,828
Public safety	4,922,830	-	-	-	1,074,801	5,997,631
Public works	40,061	-	3,600,550	4,398,714	4,080,380	12,119,705
Health and welfare	503,345	-	-	-	-	503,345
Culture and recreation	209,339	-	-	-	31,368	240,707
Education	264,372	-	-	-	-	264,372
Conservation of natural resources	130,722	-	-	-	-	130,722
Economic development and assistance	438,393	-	-	-	3,307,648	3,746,041
Debt service:						
Principal	90,101	-	160,040	-	2,407,784	2,657,925
Interest	1,159	-	9,544	-	1,193,492	1,204,195
Bond issue costs	-	-	-	-	8,806	8,806
Total Expenditures	13,019,481	-	3,770,134	4,398,714	12,582,948	33,771,277
Excess of Revenues over (under) Expenditures	2,190,780	2,281	694,938	(1,591,894)	151,418	1,447,523
OTHER FINANCING SOURCES (USES)						
Long-term capital debt issued	-	-	515,480	-	-	515,480
Proceeds from sale of capital assets	-	-	316,873	-	10,118	326,991
Compensation for loss of capital assets	32,710	-	49,978	-	-	82,688
Transfers in	17,067	-	-	-	159,665	176,732
Transfers out	(159,665)	-	-	-	(17,067)	(176,732)
Total Other Financing Sources and Uses	(109,888)	-	882,331	-	152,716	925,159
Net Changes in Fund Balances	2,080,892	2,281	1,577,269	(1,591,894)	304,134	2,372,682
Fund Balances - Beginning, as previously reported	15,918,434	-	1,701,733	3,456,611	12,128,866	33,205,644
Fund reclassification	-	-	-	-	(73,247)	(73,247)
Fund Balances - Beginning, as restated	15,918,434	-	1,701,733	3,456,611	12,055,619	33,132,397
Fund Balances - Ending	\$ 17,999,326	2,281	3,279,002	1,864,717	12,359,753	35,505,079

The accompanying notes to financial statements are an integral part of these statements.

OKTIBBEHA COUNTY**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****Exhibit 4-1**

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ 2,372,682
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlays of \$7,355,630 exceeded depreciation of \$2,249,780 in the current period.	5,105,850
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net loss of \$127,710 in the current period.	(127,710)
Fine revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	(272,558)
Solid waste revenue recognized on the modified accrual basis in the funds during the current year is reduced because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	(12,627)
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt repayments of \$2,657,925 exceeded the debt proceeds of \$515,480.	2,142,445
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Decrease in compensated absences liability	16,196
Decrease in accrued interest payable	18,448
Amortization of bond premium	116,004
Increase in OPEB reported on the modified accrual basis of accounting	5,467
Some items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recording of pension expense for the current period	(1,052,084)
Recording of contributions made during the year	1,247,033
Some items reported in the Statement of Activities relating to the implementation of GASB 75 are not reported in the governmental funds. These activities include:	
Recording of OPEB expense for the current period	(240,737)
Recording of contributions made during the year	88,695
Change in Net Position of Governmental Activities	<u>\$ 9,407,104</u>

The accompanying notes to financial statements are an integral part of these statements.

OKTIBBEHA COUNTY
Statement of Fiduciary Net Position
September 30, 2021

Exhibit 5

	<u>Custodial Funds</u>
ASSETS	
Cash and investments	\$ 128,657
Receivables:	
Taxes for other governments	<u>28,804</u>
Total Assets	<u>\$ 157,461</u>
LIABILITIES AND NET POSITION	
Liabilities:	
Intergovernmental payables	\$ 137,281
Other payables	<u>20,180</u>
Total Liabilities	<u>157,461</u>
Net Position	
Restricted for:	
Individuals, organizations and other governments	<u>-</u>
Total Net Position	<u>-</u>
Total Liabilities and Net Position	<u>\$ 157,461</u>

The accompanying notes to financial statements are an integral part of these statements.

OKTIBBEHA COUNTY
Statement of Changes in Fiduciary Net Position
September 30, 2021

Exhibit 6

	<u>Custodial Funds</u>
ADDITIONS	
Tax collections for other governments	\$ <u>2,610,726</u>
Total Additions	<u>2,610,726</u>
DEDUCTIONS	
Payments of tax to other governments	<u>2,610,726</u>
Total Deductions	<u>2,610,726</u>
Net increase (decrease) in fiduciary net position	<u>-</u>
Net Position - Beginning, as previously reported	(73,247)
Fund reclassification	<u>73,247</u>
Net Position - Beginning, as restated	<u>-</u>
Net Position - Ending	<u>\$ -</u>

The accompanying notes to financial statements are an integral part of these statements.

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

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

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

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

- Oktibbeha County Hospital

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

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

B. Basis of Presentation.

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

Government-wide Financial Statements:

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

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

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

Fund Financial Statements:

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

C. Measurement Focus and Basis of Accounting.

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

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

The County reports the following major Governmental Funds:

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

American Rescue Plan Fund - This fund is used to account for financial resources from the American Rescue Plan grant funds.

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

State Aid Road Fund – This fund is used to account for financial resources from specific revenue sources that are restricted for construction and maintenance of roads in the State Aid Road program.

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

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

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

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

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

FIDUCIARY FUND TYPE

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

D. Account Classifications.

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

E. Deposits and Investments.

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

Cash includes cash on hand, demand deposits, 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 year.

F. Receivables.

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

G. 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.

H. Prepaid Items.

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

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.

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

The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital assets, other than infrastructure, costs have been estimated and the methods of estimation are not readily available. Donated capital assets are recorded at estimated fair market value at the time of donation. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

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

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

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

J. Deferred Outflows/Inflows of Resources:

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

Deferred outflows related to pensions – This amount represents the County's proportionate share of the deferred outflows of resources reported by the pension plan in which the County participates. See Note 10 for additional details.

Deferred outflows related to postemployment benefits – This amount represents the County's proportionate share of the deferred outflows of resources reported by the OPEB plan in which the County participates. See Note 9 for additional details.

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

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

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

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

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.

Deferred inflows related to pensions – This amount represents the County's proportionate share of the deferred inflows of resources reported by the pension plan in which the County participates. See Note 10 for additional details.

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

K. Pensions.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, 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. Other Postemployment Benefits.

Plan Description

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

M. Long-term Liabilities.

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

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

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

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

N. Equity Classifications.

Government-wide Financial Statements:

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

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

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

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

Net Position Flow Assumption:

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

Fund Financial Statements:

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

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

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

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

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

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

Fund Balance Flow Assumption:

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

O. Property Tax Revenues:

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

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

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

P. Intergovernmental Revenues in Governmental Funds.

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

Q. Compensated Absences.

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

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

R. Changes in Accounting Standards.

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

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

(2) Accounting Change

During the current year the county implemented new Governmental Accounting Standard #84 – Fiduciary Activities. As a result of implementing this standard the county decreased net position/fund balance by \$73,247 in Governmental Activities and Other Governmental Funds. These funds were reclassified to Custodial Funds.

(3) Deposits and Investments.

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2021, was \$40,790,729, and the bank balance was \$40,755,940. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

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

(4) Inter-fund Transactions and Balances.

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

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Countywide Road Maintenance Fund	General Fund	\$ 71,173
Other Governmental Funds	General Fund	180,164
Total		<u>\$ 251,337</u>

The receivable represent the 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>
General Fund	Other Governmental Funds	\$ 17,067
Other Governmental Funds	General Fund	159,665
Total		<u>\$ 176,732</u>

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

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

(5) Intergovernmental Receivables.

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

<u>Description</u>	<u>Amount</u>
Mississippi Development Authority Reimbursement on Blackjack Road	\$ 389,370
Legislative tax credit	290,630
Golden Triangle September 2021 Solid Waste Settlement	115,000
Department of Insurance - Rural Fire Truck Acquisition Program	90,000
Motor Vehicle License/Overweight Fines/Harvest Permits	77,234
City of Starkville Matching on Industrial Park Project	53,701
Department of Public Safety Reimbursements	41,024
MDOC Reimbursement for Housing Prisoners	26,300
Other	14,036
Gas Severance Tax	13,275
Sheriff's Department Reimbursment	6,591
Chancery Clerk Reimbursements	2,550
Total	\$ <u>1,119,711</u>

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

(6) Capital Assets.

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

	Balance Oct. 1, 2020	Additions	Deletions	Adjustments*	Balance Sept. 30, 2021
<u>Non-depreciable capital assets:</u>					
Land	\$ 1,016,113	-	-	-	1,016,113
Construction in progress	6,965,735	5,661,516	-	(1,435,194)	11,192,057
Total non-depreciable capital assets	7,981,848	5,661,516	-	(1,435,194)	12,208,170
<u>Depreciable capital assets:</u>					
Infrastructure	101,101,995	-	-	1,435,194	102,537,189
Buildings	10,188,417	-	-	-	10,188,417
Mobile equipment	11,652,433	925,311	1,116,902	270,000	11,730,842
Furniture and equipment	1,669,452	253,323	-	-	1,922,775
Leased property under capital lease	1,135,524	515,480	-	(270,000)	1,381,004
Total depreciable capital assets	125,747,821	1,694,114	1,116,902	1,435,194	127,760,227
<u>Less accumulated depreciation for:</u>					
Infrastructure	53,611,758	1,293,915	-	-	54,905,673
Buildings	3,719,858	180,585	-	-	3,900,443
Mobile equipment	8,977,415	562,901	989,192	48,598	8,599,722
Furniture and equipment	1,409,910	99,427	-	-	1,509,337
Leased property under capital lease	597,792	112,952	-	(48,598)	662,146
Total accumulated depreciation	68,316,733	2,249,780	989,192	-	69,577,321
Total depreciable capital assets, net	57,431,088	(555,666)	127,710	1,435,194	58,182,906
Governmental activities capital assets, net	\$ 65,412,936	5,105,850	127,710	-	70,391,076

* Adjustment were made to re-class completed construction to a depreciable reporting category and also to re-class leased equipment that was paid off during the current fiscal year.

Depreciation expense was charged to the following functions:

	Amount
Governmental activities:	
General government	\$ 250,791
Public safety	357,865
Public works	1,641,124
Total governmental activities depreciation expense	\$ 2,249,780

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

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

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
County Road - Fox Road	\$ 19,969	September 2023
County Road - Hearst Road	90,000	September 2023
County Road - Prather Drive	16,702	September 2023
County Road - Theodis Road	65,000	September 2023
County Road - Pat Station Road	-	Unknown
County Road - Bel Air Subdivision Road	-	September 2023
County Road - Sand Creek	-	Unknown
County Road - Lindsey Ln	24,976	September 2023
County Road - County Lake Road	-	Unknown
County Road - Albert Road	6,929	September 2023
County Road - Camp Airport Road	71,187	Unknown
County Road - Chase Lane	-	Unknown
County Road - Blue Road	5,000	September 2023
County Road - Sellars Road	8,000	September 2023
County Road - Harrell Road	47,624	September 2023
County Road - Poor House Road	218,741	Unknown
County Road - Blocker Road	7,710	September 2023
County Road - South Gate Road	-	Unknown
County Road - Cedar Grove Road	10,028	September 2023
County Road - Hillbrook Road	10,074	September 2023
County Road - Lean Lane	-	Unknown
State Aid Road - Longview Road	1,465,897	September 2023
State Aid Road - Blackjack Road	-	Unknown
State Aid Bridge- Hickory Grove	87,530	Unknown

(7) Claims and Judgments.

Risk Financing.

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

The County is exposed to risk of loss relating to employee health, accident and dental coverage. Beginning in 2014 and pursuant to Section 25-15-101, Miss. Code Ann. (1972), the County established a risk management fund to account for and finance its uninsured risk of loss.

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

Under the plan, amounts payable to the risk management fund are based on actuarial estimates. Oktibbeha County pays the premium on a single coverage policy for its employees. Employees desiring additional and/or dependent coverage pay the additional premium through a payroll deduction. Premium payments to the risk management fund are determined on an actuarial basis. The County has minimum uninsured risk retention for the County, to the extent that actual claims submitted exceed the predetermined premium. The County has purchased coinsurance which functions on two separate stop loss coverages: specific and aggregate. These coverages are purchased from an outside commercial carrier. For the current fiscal year, the specific coverage begins when an individual participant's claim exceeds \$50,000.

Claims expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The following table provides changes in the balances of claims liabilities for fiscal years 2020 and 2021:

	Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claim Payments	Balance at Fiscal Year End
2019-2020	\$ 164,269	1,999,592	(2,061,991)	101,870
2020-2021	\$ 101,870	2,344,837	(2,335,113)	111,594

(8) Capital Leases.

As Lessee:

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

<u>Classes of Property</u>	<u>Governmental Activities</u>
Mobile equipment	\$ 1,381,004
Less: Accumulated depreciation	(662,146)
Leased Property Under Capital Leases	<u>\$ 718,858</u>

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

<u>Year Ending September 30</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 231,146	8,725
2023	197,423	5,408
2024	200,493	2,338
2025	33,124	123
Total	<u>\$ 662,186</u>	<u>16,594</u>

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

(9) Other Postemployment Benefits.

General Information about the OPEB Plan.

Plan description. The County's defined benefit OPEB plan, Oktibbeha County, Mississippi Other Post-Employment Benefits Program, provides OPEB for all permanent full time employees of the County. The Oktibbeha County, Mississippi Other Post-Employment Benefits Program is a single-employer defined benefit OPEB plan administered by Oktibbeha County. No trust has been created for the OPEB Plan and the plan does not issue a stand-alone financial report. Participants can retire and elect OPEB benefits under the following eligibility:

- Attained age 60 and completed at least 8 years member service, or
- Completed 25 years of creditable service for members hired prior to July 1, 2011, or
- Completed 30 years of creditable service hired on or after July 1, 2011.

Benefits provided. The Oktibbeha County, Mississippi Other Post-Employment Benefits Program provides healthcare benefits, including dental and prescription drug benefits for retirees and their dependents. Life Insurance is also available to retirees. Benefits are provided through a third-party insurer, and the full costs of the benefits is covered by the plan with the exception of deductibles listed below:

- \$525 for individual coverage / \$1,050 for family coverage

Employees covered by benefit terms. On October 1, 2020 the following employees were covered by the benefit terms:

	Number of Members	Average Age
Active	146	45.0
Retired	12	67.9
Spouses of retirees	2	
Total	160	

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. A retiree and spouse younger than age 65 pays \$673.20 per month for single coverage and \$979 per month for family coverage. A retiree and spouse older than age 65 pays \$336.60 per month for single coverage and \$592.56 per month for family coverage. The premium for a retiree and spouse where one of them is over age 65 and one is younger than age 65 is \$932 for family coverage. Employers pay no premiums for retirees while employees' premiums are funded primarily by their employer. Contributions to the OPEB plan (implicit rate subsidy) from the County were \$88,695 for the year ended September 30, 2021.

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

At September 30, 2021, the County reported an OPEB liability of \$3,063,021. The OPEB liability was measured as of September 30, 2020. The total OPEB liability was determined by an actuarial valuation as of October 1, 2019 with these amounts rolled forward to include changes for the current year. These changes include the service cost; interest on the total OPEB liability; the effect of assumption changes or inputs; and county contributions (benefit payments) during the year ended September 30, 2021.

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

For the year ended September 30, 2021, the District recognized OPEB expense of \$240,737. At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 799,210	251,936
Effect of economic/demographic gains or (losses)	-	310,931
Total	<u>\$ 799,210</u>	<u>562,867</u>

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

<u>Year ending September 30</u>	<u>Amount</u>
2022	\$ 26,476
2023	26,476
2024	26,476
2025	27,713
2026	58,383
2027	60,851
2028	9,968
Total	<u>\$ 236,343</u>

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

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

Inflation	2.30 percent
Salary increases	3.00 percent, including inflation
Long-term Investment Rate of Return, net of OPEB plan investment expense, including inflation	N/A
Municipal Bond Index Rate	
Measurement Date	2.21 percent
Prior Measurement Date	2.66 percent
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	2.21 percent
Prior Measurement Date	2.66 percent
Health Care Cost Trends	
Medicare Supplement Claims	5.50 percent for 2021 decreasing to an ultimate rate of 3.70 percent by 2073
Pre-Medicare	5.70 percent for 2021 decreasing to an ultimate rate of 3.70 percent by 2073
Dental	4.00 percent for 2020 and later years

Mortality rates were based on the Pub-2010 General Mortality for Employees and Healthy Annuitants, with generational projection per Scale MP-2021.

The demographic actuarial assumptions used in the September 30, 2019 valuation were based on the results of an actuarial experience study dated October 1, 2019.

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 October 1, 2019 valuation were based on a review of recent plan experience done concurrently with the October 1, 2019 valuation.

The plan had no assets as of the measurement date of 2021.

Discount rate. The discount rate used to measure the total OPEB liability at September 30, 2021 was 2.21 percent. Since the Prior Measurement Date, the Discount Rate has changed from 2.66% to 2.21%.

Since no trust was set up as of September 30, 2021, there was no projection of cash flows for the Plan and the Plan was projected to be depleted in 2021.

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

The discount rate determination will use a municipal bond rate to the extent the trust is projected to run out of money before all benefits are paid. The rate used, if necessary, for this purpose is the average of the Bond Buyer General Obligation 20-year Municipal Bond Index Rates during the month of June published at the end of each week by the Bond Buyer.

Changes in the Total OPEB Liability

	Total OPEB Liability	Deferred Outflows	Deferred Inflows	Total OPEB Liability plus Net Deferrals	Annual Expense
Balances as of September 30, 2020	\$ (2,823,320)	823,405	(674,721)	(2,674,636)	
Changes for the year:					
Service cost	(136,697)			(136,697)	\$ 136,697
Interest on total OPEB liability	(77,564)			(77,564)	77,564
Effect of assumption changes or inputs	(114,135)	99,254		(14,881)	14,881
Benefit payments	88,695			88,695	
Amortization of prior year deferred outflows(inflows)		(123,449)	111,854	(11,595)	11,595
Annual expense					\$ 240,737
Balances as of September 30, 2021	\$ (3,063,021)	799,210	(562,867)	(2,826,678)	

Sensitivity of the County's OPEB liability to changes in the discount rate. The following presents the County's OPEB liability, as well as what the County's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate:

	1% Decrease 1.21%	Discount Rate 2.21%	1% Increase 3.21%
Total OPEB liability	\$ 3,605,588	3,063,021	2,632,531

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

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB liability	2,582,723	3,063,021	3,688,999

OPEB plan fiduciary net position. The fiduciary net position for the OPEB plan was zero as of September 30, 2021, the measurement date. Therefore, no separately issued financials were prepared.

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

(10) Defined Benefit Pension Plan

General Information about the Pension Plan

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

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

Contributions. At September 30, 2021, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2021 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2021, 2020 and 2019 were \$1,247,033, \$1,218,808, and \$1,141,350, respectively, equal to the required contributions for each year.

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

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 \$15,847,583 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 .107220 percent, which was based on a measurement date of June 30, 2021. This was an increase of .001563 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 \$1,052,084. At September 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 251,814	-
Net difference between projected and actual earnings on pension plan investments	-	4,782,005
Changes of assumptions	1,219,666	-
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	301,424	170,800
County contributions subsequent to the measurement date	329,633	-
Total	<u>\$ 2,102,537</u>	<u>4,952,805</u>

\$329,633 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	\$ (507,241)
2023	(562,932)
2024	(687,511)
2025	(1,422,217)
Total	<u>\$ (3,179,901)</u>

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

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

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

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

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

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

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

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

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%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
County's proportionate share of the net pension liability	\$ 22,443,895	15,847,583	10,411,700

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

(11) Long-term Debt.

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
A. General Obligation Bonds:			
2017 Road and Bridge Construction Bonds	\$ 11,550,000	2.40%	May-32
2017 Industrial Park Bonds	5,440,000	3.50-3.80%	Sep-32
2018A Refunding Bonds 2009 Oktibbeha County Hospital	9,610,000 *	2.00-4.00%	Nov-32
2018B Refunding Bonds 2009 Oktibbeha County Hospital	5,205,000 *	2.00-4.00%	Nov-34
2019 Series Refunding Bonds 2010 Oktibbeha County Hospital	2,935,000 *	3.00-4.00%	Sep-30
Total General Obligation Bonds	<u>\$ 34,740,000</u>		
B. Capital Leases			
EMA Equipment	\$ 7,593	2.05%	Oct-21
(2) John Deere 60G Mini Excavators	4,195	3.50%	Oct-21
(2) John Deere 60G Mini Excavators	24,958	3.69%	Mar-22
(3) 2021 Kenworth T370 Dump Trucks	204,291	1.65%	Sep-24
(4) 2021 Kenworth T880 Tractor Trucks	421,149	1.49%	Nov-24
Total Capital Leases	<u>\$ 662,186</u>		

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

* These bonds are secured by the full faith and credit and taxing power of the county. However, any assets acquired or improvements made with the proceeds of these bonds are not included in Oktibbeha County's financial statements.

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

Year Ending September 30	Governmental Activities - General Obligation Bonds	
	Principal	Interest
2022	\$ 2,360,000	1,136,125
2023	2,450,000	1,068,655
2024	2,535,000	990,730
2025	2,615,000	918,920
2026	2,710,000	840,505
2027-2031	14,860,000	2,811,630
2032-2035	7,210,000	608,210
Total	<u>\$ 34,740,000</u>	<u>8,374,775</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 8.15% 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			Balance	Amount due
	Oct. 1, 2020	Additions	Reductions	Sept. 30, 2021	within one year
Governmental Activities:					
Compensated Absences	\$ 546,240	-	16,196	530,044	-
General Obligation Bonds	37,050,000	-	2,310,000	34,740,000	2,360,000
Add: Premiums	1,359,733	-	116,004	1,243,729	116,004
Capital Leases	494,631	515,480	347,925	662,186	231,146
Total	<u>\$ 39,450,604</u>	<u>515,480</u>	<u>2,790,125</u>	<u>37,175,959</u>	<u>2,707,150</u>

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

(12) Contingencies.

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

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

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.

Hospital Revenue Bond Contingencies - The County issues revenue bonds to provide funds for constructing and improving capital facilities of the Oktibbeha County Hospital. Revenue bonds are reported as a liability of the hospital because such debt is payable primarily from the hospital's pledged revenues. However, the County remains contingently liable for the retirement of these bonds because the full faith, credit and taxing power of the County is secondarily pledged in case of default by the hospital. The principal amount of hospital revenue bonds outstanding at September 30, 2021, is \$5,805,000.

(13) Effect of Deferred Amounts on Net Position

The governmental activities' unrestricted net position amount of \$(27,138,878) 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 \$329,633 resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2022. The \$1,772,904 balance of the deferred outflow of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next 3 years. The \$4,952,805 balance of the deferred inflow of resources related to pension at September 30, 2021, will be recognized as a decrease in pension expense over the next 4 years.

The governmental activities' unrestricted net position amount of \$(27,138,878) includes the effect of deferred inflows/outflows of resources related to other post-employment benefits. The \$799,210 balance of the deferred outflow of resources related to other post-employment benefits at September 30, 2021, will be recognized in OPEB expense over the next 7 years. The \$562,867 balance of the deferred inflow of resources related to other post-employment benefits at September 30, 2021, will be recognized as a decrease in OPEB expense over the next 7 years.

(14) Related Organizations.

The Board of Supervisors is responsible for appointing a voting majority of the members of the board of the Oktibbeha County Economic Development Authority, but the County's accountability for this organization does not extend beyond making the appointments. During the year, the County did not contribute any funds to this organization.

(15) Joint Ventures.

The County participates in the following joint ventures:

Oktibbeha County is a participant with the City of Starkville in a joint venture, authorized by Section 39-3-8, Miss. Code Ann. (1972), to operate the Oktibbeha County Library. The joint venture is governed by ten members, five appointed by each government. By contractual agreement, the County's agreement, the County's appropriation to the joint venture was \$209,520 in the fiscal year 2021. Complete financial statements for the Oktibbeha County Library can be obtained at 326 University Drive, Starkville, MS 39759.

Oktibbeha County is a participant with the Town of Sturgis in a joint venture, authorized by Section 39-3-8, Miss. Code Ann. (1972), to operate the Sturgis Library. The joint venture is governed by ten members, five appointed by each government. By contractual agreement, the County's agreement, the County's appropriation to the joint venture was \$7,500 in the fiscal year 2021. Complete financial statements for the Sturgis Library can be obtained at 2732 MS-12, Sturgis, MS 39769.

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

Oktibbeha County is a participant with the City of Starkville in a joint venture, authorized by Section 61-5-39, Miss. Code Ann. (1972), to operate the George M. Bryan Field (airport). The joint venture is governed by seven members, three appointed by each government and one appointed by Mississippi State University. The County contributed \$39,910 to the joint venture in the fiscal year 2021.

Oktibbeha County is a participant with the Counties of Choctaw, Clay, Lowndes, Noxubee and Webster, and the Cities of Ackerman, Columbus, Eupora, Louisville, Macon, Starkville, and West Point in a joint venture, authorized by Section 17-17-307, Miss. Code Ann. (1972), to operate the Golden Triangle Regional Solid Waste Management Authority. The joint venture was created to provide a regional disposal site for solid waste. The Oktibbeha County Board of Supervisors appoints one of the 38 members of the board of directors. The authority is funded by user fees based on the volume of solid waste. Complete financial statements for the Golden Triangle Regional Solid Waste Management Authority can be obtained from P.O. Drawer DN, Mississippi State, MS 39762.

(16) Jointly Governed Organizations.

The County participates in the following jointly governed organizations.

East Mississippi Community College operates in a district composed of the Counties of Clay, Kemper, Lauderdale, Lowndes, Noxubee, and Oktibbeha. The Oktibbeha County Board of Supervisors appoints two of the twelve members of the college board of trustees. The County contributed \$1,287,255 for maintenance and support of the college in fiscal year 2021.

Golden Triangle Planning Development District operates in a district composed of the Counties of Choctaw, Clay, Lowndes, Noxubee, Oktibbeha, Webster, and Winston. The Oktibbeha County Board of Supervisors appoints four of the 28 members of the board of directors. The County contributes a small percentage of the district's total revenue. The County contributed \$54,219 for support of the district in fiscal year 2021.

Golden Triangle Regional Airport Authority operates in a district composed of Counties of Lowndes and Oktibbeha and the Cities of Columbus, Starkville, and West Point. The Oktibbeha County Board of Supervisors appoints one of the five members of the board of commissioners. The County provided no financial support for the authority in fiscal year 2021.

Community Counseling Services operates in a district composed of the Counties of Choctaw, Clay, Lowndes, Noxubee, Oktibbeha, Webster, and Winston. The Oktibbeha County Board of Supervisors appoints one of the seven members of the board of commissioners. The County contributed \$45,500 for support of the agency in fiscal year 2021.

Prairie Opportunity, Inc. operates in a district composed of the Counties of Choctaw, Clay, Lowndes, Noxubee, Oktibbeha, Webster, and Winston. The Oktibbeha County Board of Supervisors appoints one of the 21 board members. One board member from each of the counties must come from the private sector (recipient of services), and one member from each county must come from the community. These fourteen members are not appointed by the County Board of Supervisors. The counties generally provide no financial support to the organization.

Mississippi Regional Housing Authority IV operates in a district composed of the Counties of Carroll, Choctaw, Clay, Grenada, Lowndes, Montgomery, Oktibbeha, Webster, and Winston. The Oktibbeha County Board of Supervisors appoints one of the nine board members. The counties generally provide no financial support to the organization.

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

(17) Tax Abatements.

The Oktibbeha County Board of Supervisors enters into property tax abatement agreements with local businesses under Miss. Code Ann. Sec 17-21-5(1). Under the code, the county has the authority in their discretion to exempt from any or all county ad valorem taxes, excluding ad valorem taxes for school districts, for a period of not more than seven years for the purpose of attracting or retaining businesses within their jurisdiction. A detailed listing of the property tax abatement agreements the county has entered into for the fiscal year ended September 30, 2021 is listed in the table below:

<u>Name</u>	<u>Assessed Value</u>	<u>Tax Abatement</u>
<u>Real Property</u>		
Cellular South real Estate, Inc.	\$ 1,844,976	\$ 101,640
The Claiborne at Adelaide, LLC	1,548,560	85,310
<u>Personal Property</u>		
C Spire Advanced Data Solutions LLC	168,980	9,309
The Claiborne at Adelaide, LLC	53,698	2,958
Southwire Company, Inc	376,576	20,746
Total	<u>\$ 3,992,790</u>	<u>\$ 219,963</u>

(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 Oktibbeha County evaluated the activity of the County through November 6, 2023, (the date the financial statements were available to be issued), and determined that the following subsequent events have occurred requiring disclosure in the notes to financial statements.

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>
10/19/2021	1.39%	\$ 823,040	Lease Purchase	Guaranty Bank & Trust Bank
			General Obligation Bonds	
11/10/2021	.39% - 1.18%	\$ 11,884,000	Refunding Bonds	MS Development Bank
12/15/2021	4.00%	\$ 10,000,000	General Obligation Bonds	MS Development Bank

- On March 15, 2021 the Board of Supervisors approved Colom Construction as lowest and best bid for bridge replacement on Hickory Grove Road in the amount of \$389,433.

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

- Approved Purchase of (23) 2021 Dodge Durango(s) for the Sheriff's Department. This purchase was financed with Guaranty Bank & Trust Co. in the amount of \$823,040.
- County issued Series 2021A Refunding Bonds through the MS Development Bank in the amount of \$11,884,000 to payoff 2017 Bonds in the amount of \$11,550,000 plus interest of \$6,930.
- Approved lowest and best bids for the purchased of various pieces of equipment. The county purchased (2) Motor Graders for \$210,000 each; (2) Loaders for \$158,000 each and an Excavator for \$175,000 from TraxPlus, LLC. The county purchased a Bulldozer from Thompson Machinery in the amount of \$157,834. The County purchased (3) Tractors for \$56,880 each and (3) Bushhog(s) for \$18,900 each from the Oktibbeha County Co-op,
- The county issued Series 2021 General Obligation Bonds through the MS Development Bank in the amount of \$10,000,000.
- Approved in the December 20, 2021 minutes the purchase of building and property at 48 Lynn Lane at a gross sales price of \$1,800,000.
- Approved lowest and best bid for F450 Truck in the amount of \$165,000 from Burroughs Diesel.
- Approved execution of Poorhouse Road overlay contract in the amount of \$1,595,441 with Falcon Contracting, Inc in the March 17, 2022 board minutes.
- On October 3, 2022 approved bid from Phillips Construction, Inc in the amount of \$1,806,034 on the Bluff Lake Road project.
- On February 20, 2023 accepted the lowest bid for road work to be completed on the Old West Point Road. Falcon Contracting, Inc. was awarded the bid in the amount of \$649,531.
- On March 6, 2023 accepted the lowest bid for the Harris Road Bridge (LSBP-53(16)). N.L. Carson Construction, Inc was awarded the bid in the amount of \$731,056.

OKTIBBEHA COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 12,389,350	12,389,350	12,357,098	(32,252)
Road and bridge privilege taxes	-	-	6,215	6,215
Licenses, commissions and other revenue	478,500	478,500	535,210	56,710
Fines and forfeitures	375,000	375,000	379,705	4,705
Intergovernmental revenues	1,536,960	1,570,710	1,539,620	(31,090)
Charges for services	200,000	200,000	289,996	89,996
Interest income	150,000	150,000	241,373	91,373
Miscellaneous revenues	79,500	82,541	622,659	540,118
Total Revenues	<u>15,209,310</u>	<u>15,246,101</u>	<u>15,971,876</u>	<u>725,775</u>
EXPENDITURES				
Current:				
General government	7,531,200	7,539,960	6,193,236	1,346,724
Public safety	5,614,947	5,648,044	4,922,508	725,536
Public works	132,000	132,000	40,061	91,939
Health and welfare	532,022	532,022	503,222	28,800
Culture and recreation	227,020	232,420	226,799	5,621
Education	371,785	371,785	379,514	(7,729)
Conservation of natural resources	147,150	147,150	132,578	14,572
Economic development and assistance	468,000	468,000	437,516	30,484
Debt service:				
Principal	-	-	90,101	(90,101)
Interest	-	-	1,159	(1,159)
Total Expenditures	<u>15,024,124</u>	<u>15,071,381</u>	<u>12,926,694</u>	<u>2,144,687</u>
Excess of Revenues over (under) Expenditures	<u>185,186</u>	<u>174,720</u>	<u>3,045,182</u>	<u>2,870,462</u>
OTHER FINANCING SOURCES (USES)				
Compensation for loss of capital assets	-	10,466	32,178	21,712
Transfers out	(2,172,410)	(2,172,410)	(159,726)	2,012,684
Total Other Financing Sources and Uses	<u>(2,172,410)</u>	<u>(2,161,944)</u>	<u>(127,548)</u>	<u>2,034,396</u>
Net Change in Fund Balance	(1,987,224)	(1,987,224)	2,917,634	4,904,858
Fund Balances - Beginning	<u>1,987,224</u>	<u>1,987,224</u>	<u>15,918,434</u>	<u>13,931,210</u>
Fund Balances - Ending	<u>\$ -</u>	<u>-</u>	<u>18,836,068</u>	<u>18,836,068</u>

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

OKTIBBEHA COUNTY
Budgetary Comparison Schedule -
Budget and Actual (Non-GAAP Basis)
American Rescue Plan Fund
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ -	-	4,815,847	4,815,847
Interest income	-	-	2,281	2,281
Total Revenues	-	-	4,818,128	4,818,128
EXPENDITURES				
Total Expenditures	-	-	-	-
Excess of Revenues over (under) Expenditures	-	-	4,818,128	4,818,128
OTHER FINANCING SOURCES (USES)				
Total Other Financing Sources and Uses	-	-	-	-
Net Change in Fund Balance	-	-	4,818,128	4,818,128
Fund Balances - Beginning	-	-	-	-
Fund Balances - Ending	\$ -	-	4,818,128	4,818,128

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

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 2,510,334	2,510,334	2,584,280	73,946
Road and bridge privilege taxes	450,000	450,000	480,837	30,837
Licenses, commissions and other revenue	-	-	361	361
Intergovernmental revenues	687,000	1,292,000	1,367,279	75,279
Interest income	5,000	5,000	18,912	13,912
Miscellaneous revenues	-	-	8,669	8,669
Total Revenues	<u>3,652,334</u>	<u>4,257,334</u>	<u>4,460,338</u>	<u>203,004</u>
EXPENDITURES				
Current:				
Public works	4,212,860	5,383,318	3,552,247	1,831,071
Debt service:				-
Principal	-	-	160,033	(160,033)
Interest	-	-	9,552	(9,552)
Total Expenditures	<u>4,212,860</u>	<u>5,383,318</u>	<u>3,721,832</u>	<u>1,661,486</u>
Excess of Revenues over (under) Expenditures	<u>(560,526)</u>	<u>(1,125,984)</u>	<u>738,506</u>	<u>1,864,490</u>
OTHER FINANCING SOURCES (USES)				
Long-term capital debt issued	-	515,480	515,480	-
Proceeds from sale of capital assets	-	-	316,873	316,873
Compensation for loss of capital assets	-	49,978	49,978	-
Total Other Financing Sources and Uses	<u>-</u>	<u>565,458</u>	<u>882,331</u>	<u>316,873</u>
Net Change in Fund Balance	<u>(560,526)</u>	<u>(560,526)</u>	<u>1,620,837</u>	<u>2,181,363</u>
Fund Balances - Beginning	<u>560,526</u>	<u>560,526</u>	<u>1,701,733</u>	<u>1,141,207</u>
Fund Balances - Ending	<u>\$ -</u>	<u>-</u>	<u>3,322,570</u>	<u>3,322,570</u>

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

OKTIBBEHA COUNTY
Budgetary Comparison Schedule -
Budget and Actual (Non-GAAP Basis)
State Aid Road Fund
For the Year Ended September 30, 2021

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ 185,000	185,000	1,522,665	1,337,665
Total Revenues	<u>185,000</u>	<u>185,000</u>	<u>1,522,665</u>	<u>1,337,665</u>
EXPENDITURES				
Current:				
Public works	<u>189,500</u>	<u>189,500</u>	<u>22,665</u>	<u>166,835</u>
Total Expenditures	<u>189,500</u>	<u>189,500</u>	<u>22,665</u>	<u>166,835</u>
Excess of Revenues over (under) Expenditures	<u>(4,500)</u>	<u>(4,500)</u>	<u>1,500,000</u>	<u>1,504,500</u>
OTHER FINANCING SOURCES (USES)				
Other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(4,500)	(4,500)	1,500,000	1,504,500
Fund Balances - Beginning	<u>4,500</u>	<u>4,500</u>	<u>-</u>	<u>(4,500)</u>
Fund Balances - Ending	<u>\$ -</u>	<u>-</u>	<u>1,500,000</u>	<u>1,500,000</u>

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

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

	2021	2020	2019	2018	2017	2016	2015
County's proportion of the net pension liability (asset)	0.107220%	0.105657%	0.107654%	0.104637%	0.101017%	0.099183%	0.098177%
County's proportionate share of the net pension liability (asset)	\$ 15,847,583	20,453,967	18,938,463	17,404,242	16,792,454	17,716,560	15,176,228
County's covered payroll	\$ 7,129,073	7,035,422	7,011,239	6,682,092	6,433,315	6,344,972	6,133,549
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	222.30%	290.73%	270.12%	260.46%	261.02%	279.22%	247.43%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

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

The notes to required supplementary information are an integral part of this schedule.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,247,033	1,218,808	1,141,350	1,078,680	1,013,248	1,039,040	972,956
Contributions in relation to the contractually required contribution	<u>1,247,033</u>	<u>1,218,808</u>	<u>1,141,350</u>	<u>1,078,680</u>	<u>1,013,248</u>	<u>1,039,040</u>	<u>972,956</u>
Contribution deficiency (excess)	\$ <u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
County's covered payroll	\$ 7,166,862	7,004,654	7,051,907	6,848,757	6,433,321	6,597,077	6,172,641
Contributions as a percentage of covered payroll	17.40%	17.40%	16.18%	15.75%	15.75%	15.75%	15.75%

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

The notes to required supplementary information are an integral part of this schedule.

OKTIBBEHA COUNTY
Required Supplementary Information
Schedule Of Changes in Total OPEB Liability and Related Ratios
Last 10 Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service cost	\$ 136,697	\$ 87,739	\$ 101,572	114,059
Interest on total OPEB liability	77,564	95,796	99,580	107,222
Effect of plan changes	-	-	-	-
Effect of economic/demographic gains or (losses)	-	(420,607)	-	-
Effect of assumption changes or inputs	114,135	946,854	(208,215)	(245,627)
Benefit payments	(88,695)	(179,166)	(662,810)	(804,503)
Net change in total OPEB liability	\$ 239,701	\$ 530,616	\$ (669,873)	(828,849)
Total OPEB liability, beginning (Under GASB Statement 45)				243,628
Restatement due to change in accounting standards*				3,547,798
Restate Total OPEB liability, beginning (Under GASB Statement 75)				3,791,426
Total OPEB liability, ending	\$ 3,063,021	\$ 2,823,320	\$ 2,292,704	2,962,577
Covered-employee payroll	\$ 7,100,850	\$ 6,877,469	\$ 6,536,727	6,155,516
Total OPEB liability as a % of covered-employee payroll	43.14%	41.05%	35.07%	48.13%

* OPEB liability was restated due to the county reporting the total OPEB liability under GASB Statement 75

Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions. The county had previously reported the total OPEB liability under GASB Statement 45 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statement 75 is effective for fiscal years beginning after June 15, 2017.

The schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the County has only presented information for the years in which information is available.

The notes to required supplementary information are an integral part of this schedule.

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

A. Budgetary Information.

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

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

B. Basis of Presentation.

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

C. Budget/GAAP Reconciliation.

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

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

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

	Governmental Fund Types			
	General Fund	American Rescue Plan Fund	Countywide Road Maintenance Fund	State Aid Road Fund
Budget (Cash Basis)	\$ 2,917,634	4,818,128	1,620,837	1,500,000
Increase (Decrease)				
Net adjustments for revenue accruals	(744,016)	(4,815,847)	4,734	1,284,155
Net adjustments for expenditure accruals	(92,726)	-	(48,302)	(4,376,049)
GAAP Basis	<u>\$ 2,080,892</u>	<u>2,281</u>	<u>1,577,269</u>	<u>(1,591,894)</u>

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

D. Excess of Actual Expenditures Over Budget in Individual Funds.

The following funds had an excess of actual expenditures over budget for the year ended September 30, 2021:

<u>Fund</u>	<u>Excess</u>
Triad Grant Fund	\$ 95
Sanitation & Solid Waste Fun	47,216
EBRF Sun Creek Fund	68,840

All of the funds listed above are in violation of Section 19-11-17, *Mississippi Code of 1972 Annotated*. However, the County has no liability associated with these violations.

Pension Schedules

A. Changes of assumptions.

2015

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

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

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

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

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

2016

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

2017

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

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

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 6% to 7%.

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

2019

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

- For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.
- For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.
- Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

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

- For males, 137% of male rates at all ages.
- For females, 115% of female rates at all ages.
- Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 3.00% to 2.75%. The wage inflation assumption was reduced from 3.25% to 3.00%.

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

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

2021

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

- For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.
- For females, 84% of female rates up to age 72, 100% for ages above 76.
- Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

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

- For males, 134% of male rates at all ages.
- For females, 121% of female rates at all ages.
- Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

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

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

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

B. Changes in benefit provisions.

2016

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

C. 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

A. Changes of assumptions

2017: The discount rate was changed from 3.058% for the prior measurement date to 3.64% for the current measurement date.

2018: The discount rate was changed from 3.64% for the prior measurement date to 4.18% for the current measurement date.

2019: The discount rate was changed from 4.18% for the prior measurement date to 2.66% for the current measurement date.

2020: The discount rate was changed from 2.66% for the prior measurement date to 2.21% for the current measurement date.

B. Changes in benefit provision

2017: None

2018: None

2019: None

2020: None

C. Methods and assumptions used to determine contribution rates:

Valuation date: September 30, 2021

Measurement date: September 30, 2020

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

Actuarial cost method:	Entry Age Normal
Inflation:	2.30%
Salary increases including inflation:	3.00%
Mortality rates:	Pub-2010 General Mortality for Employees and Healthy Annuitants, with generational projection per Scale MP-2021.
Participation assumption:	25% of participants retiring prior to age 65 are assumed to elect coverage. 10% of participants retiring for the first time after age 65 or continuing coverage past age 65 are assumed to elect coverage.
Marriage assumption:	For employees retiring in the future, it is assumed that husbands are three years older than their wives. It is assumed that 50% of active employees who retire with medical coverage will elect to cover their spouse. Actual dependent information is used for current retirees.
Healthcare cost trend rates:	Non-Medicare eligible costs are estimated to increase 5.70% annually decreasing to 3.70% by 2073. Medicare eligible costs are estimated to increase 5.50% annually decreasing to 3.70% by 2073. Dental costs are estimated to increase 4.00% annually.

Retirement age:

<u>Age</u>	<u>Annual Rates of Retirement</u>			
	<u>Male Employees</u>		<u>Female Employees</u>	
	<u>Select Rates</u>	<u>Ultimate Rates</u>	<u>Select Rates</u>	<u>Ultimate Rates</u>
55	0.00%	18.00%	0.00%	19.75%
60	11.25%	19.00%	13.25%	21.50%
62	21.00%	29.00%	18.75%	34.00%
65	25.50%	32.00%	30.00%	42.25%
70	19.50%	26.00%	23.00%	30.00%
75	22.00%	24.00%	21.50%	25.00%
80	100.00%	100.00%	100.00%	100.00%

OKTIBBEHA COUNTY

SUPPLEMENTARY INFORMATION

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

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal CFDA Number	Pass-through Entity Identifying Number	Provided to Subrecipient	Federal Expenditures
United States Department of Agriculture				
Direct Program				
Schools and Road Grants to States	10.665	N/A	\$ <u>380</u>	\$ <u>380</u>
Total United States Department of Agriculture			<u>380</u>	<u>380</u>
United States Department of Public Safety				
Passed through US Marshall's Service				
Project Safe Neighborhoods	16.609	MIP-M-20-A34-P-000129		1,891
Passed through Mississippi Department of Public Safety				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-MU-BX-0045	<u>-</u>	<u>2,985</u>
Total United States Department of Public Safety			<u>-</u>	<u>4,876</u>
United States Department of Transportation				
Passed Through Mississippi Department of Transportation				
Highway Planning & Construction	20.205	STP-0420-00(022)LPA	-	7,735
State Community & Highway Safety	20.600	OP-2021-OP-15-31	-	12,863
Alcohol Open Container Requirements	20.607	154AL-2021-15-31	<u>-</u>	<u>10,382</u>
Total United States Department of Transportation			<u>-</u>	<u>30,980</u>
Appalachian Regional Commission				
Passed Through Mississippi Development Authority				
Appalachian Area Development	23.002	MS-19088	<u>-</u>	<u>873,500</u>
Total Appalachian Regional Commission			<u>-</u>	<u>873,500</u>
United States Department of Treasury				
Passed Through Mississippi Emergency Management Agency				
Coronavirus Relief Fund	21.019	FIPS#105-99105-00	-	8,675
Passed Through Mississippi Secretary of State				
Coronavirus Relief Fund	21.019	FIPS#105-99105-00	<u>-</u>	<u>5,237</u>
Total United States Department of Treasury			<u>-</u>	<u>13,912</u>
National Endowment of the Arts				
Passed Through Mississippi Arts Commission				
Promotion of the Arts Partnership Agreements	45.025	21-5048619-CD/PG	<u>-</u>	<u>4,300</u>
Total National Endowment of the Arts			<u>-</u>	<u>4,300</u>
United States Department Of Homeland Security				
Passed Through Mississippi Emergency Management Agency				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4470-DR-MS	-	33,961
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-4478-DR-MS	-	213,660
Emergency Management Performance Grant	97.042	EMA-2020-EP-00013	-	41,743
Homeland Security Grant Program	97.067	20HS053	<u>-</u>	<u>2,499</u>
Total United States Department of Homeland Security			<u>-</u>	<u>291,863</u>
Total Expenditures of Federal Awards			\$ <u>380</u>	\$ <u>1,219,811</u>

The notes to supplementary information are an integral part of this schedule.

OKTIBBEHA COUNTY
Notes to Supplementary Information
For the Year Ended September 30, 2021

Note A – Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, includes the federal award activity of Oktibbeha County under programs of the federal and state governments for the year ended September 30, 2021. The schedule presents only a selected portion of the operations of Oktibbeha County and is not intended to, and does not, present the financial position, changes in net position, or cash flows of the County.

Note B – Basis of Accounting

The schedule is prepared on the same basis of accounting as Oktibbeha County financial statements. The County uses the current financial resource measurement focus and the modified accrual basis of accounting.

Note C – Program Costs

Expenditures reported on the schedule are reported on the modified accrual basis of accounting. Entire program costs, including the County's portion, are more than shown. Such expenditures are recognized the cost principles contained in the *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to its reimbursements.

Note D – Indirect Cost Rate

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

OKTIBBEHA COUNTY

OTHER INFORMATION

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

Name	Position	Company	Bond
John Montgomery	Supervisor District 1	Traveler's Casualty and Surety Company of America	\$ 100,000
Orlando Trainer	Supervisor District 2	Traveler's Casualty and Surety Company of America	\$ 100,000
Marvell Howard	Supervisor District 3	Traveler's Casualty and Surety Company of America	\$ 100,000
Bricklee Miller	Supervisor District 4	Traveler's Casualty and Surety Company of America	\$ 100,000
Joe Williams	Supervisor District 5	Traveler's Casualty and Surety Company of America	\$ 100,000
Emily Garrard	Former County Administrator	Western Surety	\$ 100,000
Delois Farmer	County Administrator	Western Surety	\$ 100,000
Sharon Livingston	Chancery Clerk	Traveler's Casualty and Surety Company of America	\$ 100,000
Deanna M. Blackwell	Purchase Clerk	Western Surety	\$ 100,000
Emily Garrard	Assistant Purchase Clerk	Western Surety	\$ 50,000
Delois Farmer	Assistant Purchase Clerk	Western Surety	\$ 50,000
Deanna Denise Collier	Assistant Purchase Clerk	Western Surety	\$ 50,000
Scottie Keith Livingston	Receiving Clerk	Western Surety	\$ 75,000
Darrell Gene Fulgham	Assistant Receiving Clerk	Western Surety	\$ 50,000
Michelle Tutton	Inventory Control Clerk	Western Surety	\$ 75,000
Fred Hal Baggett	Road Manager	Western Surety	\$ 50,000
James E Lindsey	Constable	Traveler's Casualty and Surety Company of America	\$ 50,000
Curtis Randle	Constable	Traveler's Casualty and Surety Company of America	\$ 50,000
Shank Phelps	Constable	Traveler's Casualty and Surety Company of America	\$ 50,000
Tony Rook	Circuit Clerk	Western Surety	\$ 100,000
Vicki Teeter	Deputy Circuit Clerk	Western Surety	\$ 50,000
Jodi Hogue	Deputy Circuit Clerk	Western Surety	\$ 50,000
Sheryl Elmore	Deputy Circuit Clerk	Western Surety	\$ 50,000
Tina Renee Mullins	Deputy Circuit Clerk	Western Surety	\$ 50,000
Schreese Henry Carter	Deputy Circuit Clerk	Western Surety	\$ 50,000
Melody Monts	Deputy Circuit Clerk	Western Surety	\$ 50,000
Stephen C Gladney	Sheriff	Traveler's Casualty and Surety Company of America	\$ 100,000
William A Boykin	Justice Court Judge	Traveler's Casualty and Surety Company of America	\$ 50,000
Charles Martin Haug	Justice Court Judge	Traveler's Casualty and Surety Company of America	\$ 50,000
Larnzy L Carpenter	Justice Court Judge	Traveler's Casualty and Surety Company of America	\$ 50,000
Shalonda Denise Sykes	Justice Court Clerk	Traveler's Casualty and Surety Company of America	\$ 50,000
Nora Goliday	Deputy Justice Court Clerk	Western Surety	\$ 50,000
Tawanda Ware	Deputy Justice Court Clerk	Western Surety	\$ 50,000
Georgia Alexander	Deputy Justice Court Clerk	Western Surety	\$ 50,000
Georgia Ann Berry	Deputy Justice Court Clerk	Western Surety	\$ 50,000
Gail Roberts	Deputy Justice Court Clerk	Western Surety	\$ 50,000
Melissa Miller	Deputy Justice Court Clerk	Western Surety	\$ 50,000
Gay Lynn Williams	Deputy Justice Court Clerk	Western Surety	\$ 50,000
Allen Gordon Morgan	Tax Assessor-Collector	Traveler's Casualty and Surety Company of America	\$ 100,000
Barbara Cubon	Deputy Tax Collector	Western Surety	\$ 50,000
Julia (Hankins) Nowell	Deputy Tax Collector	Traveler's Casualty and Surety Company of America	\$ 50,000
Debbie Owen	Deputy Tax Collector	Traveler's Casualty and Surety Company of America	\$ 50,000
Deborah Mesheell Scott	Deputy Tax Collector	Traveler's Casualty and Surety Company of America	\$ 50,000
Patsy Henderson	Deputy Tax Collector	Traveler's Casualty and Surety Company of America	\$ 50,000
Emily Beth Scott	Deputy Tax Collector	Traveler's Casualty and Surety Company of America	\$ 50,000
JoHeen Walker	Deputy Tax Collector	Traveler's Casualty and Surety Company of America	\$ 50,000
Carol Vaughn	Deputy Tax Collector	Traveler's Casualty and Surety Company of America	\$ 50,000

OKTIBBEHA COUNTY

SPECIAL REPORTS



WATKINS, WARD and STAFFORD
Professional Limited Liability Company
Certified Public Accountants

James L. Stafford, CPA
Harry W. Stevens, CPA
S. Keith Winfield, CPA
William B. Stagg, CPA
Michael W. McCully, CPA
R. Steve Sinclair, CPA
Marsha L. McDonald, CPA
Wanda S. Holley, CPA
Robin Y. McCormick, CPA/PFS
J. Randy Scrivner, CPA
Kimberly S. Caskey, CPA
Susan M. Lummus, CPA
Stephen D. Flake, CPA

John N. Russell, CPA
Anita L. Goodrum, CPA
Ricky D. Allen, CPA
Jason D. Brooks, CPA
Robert E. Cordle, Jr., CPA
Perry C. Rackley, Jr., CPA
Jerry L. Gammel, CPA
Michael C. Knox, CPA
Clifford P. Stewart, CPA
Edward A. Maxwell, CPA
Bradley L. Harrison, CPA
Justin H. Keller, CPA

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

County Administrator and Members of the Board of Supervisors
Oktoberbeha County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Oktoberbeha County, Mississippi (the County), as of and for the year ended September 30, 2021, and the related notes to financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 6, 2023. Our report includes an adverse opinion on the aggregate discretely presented component unit due to the omission of the discretely presented component unit which is required by accounting principles generally accepted in the United States of America to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component unit.

Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we did identify certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item **2021-001** to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as item **2021-002 and 2021-003** to be significant deficiencies.

Compliance and Other Matters

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

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

Oktibbeha County's Response to Findings

Oktibbeha County's response to the findings identified in our audit is described in the accompanying Auditee's Corrective Action Plan. Oktibbeha County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Watkins, Ward and Stafford, PLLC
Louisville, Mississippi
November 6, 2023

Watkins Ward and Stafford, PLLC



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Certified Public Accountants

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

County Administrator and Members of the Board of Supervisors
Oktibbeha County, Mississippi

Report on Compliance for Each Major Federal Program

We have audited the Oktibbeha County, Mississippi's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on Oktibbeha County, Mississippi's major federal program for the year ended September 30, 2021. Oktibbeha County, Mississippi's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for Oktibbeha County, Mississippi's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Oktibbeha County, Mississippi's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Oktibbeha County, Mississippi's compliance.

Opinion on Each Major Federal Program

In our opinion, Oktibbeha County, Mississippi complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended September 30, 2021.

Report on Internal Control over Compliance

Management of the Oktibbeha County, Mississippi is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Oktibbeha County, Mississippi's internal control over compliance with the types of requirements that could have a direct and material effect on its major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for its major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Oktibbeha County, Mississippi's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Watkins, Ward and Stafford, PLLC

Louisville, Mississippi
November 6, 2023

Watkins Ward and Stafford, PLLC



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

County Administrator and Members of the Board of Supervisors
Oktibbeha County, Mississippi

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

Watkins, Ward and Stafford, PLLC
Louisville, Mississippi
November 6, 2023

Watkins Ward and Stafford, PLLC

OKTIBBEHA COUNTY

Schedule 1

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

Our tests did not identify any instances where a bid was not selected from the lowest bidder.

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

Schedule 2

Our tests did not identify any emergency purchases.

OKTIBBEHA COUNTY

Schedule 3

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

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



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LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

County Administrator and Members of the Board of Supervisors
Oktibbeha County, Mississippi

In planning and performing our audit of the financial statements of Oktibbeha County, Mississippi for the year ended September 30, 2021, we considered Oktibbeha 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 Oktibbeha 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 November 6, 2023 on the financial statements of Oktibbeha 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 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.

Finding 1: Public Officials Should Ensure Compliance with State Law over Surety Bonds.

Applicable State Law: Section 25-1-15(2), 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."

Finding Detail: During the review of Oktibbeha County, we noted the following exceptions with the County's surety bonds:

- The bond coverage for the purchase clerk did not meet statutory requirements (\$100,000). The county did upgrade the coverage effective 7/01/2021 to meet the statutory requirement.
- The blanket bond that covers the Deputy Tax Collectors was for an indefinite period

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. Additionally, failure to comply with the state statute, by being correctly and sufficiently bonded, could result in the loss of public funds.

Recommendation: We recommend that the County ensure new bonds are secured the meet all statutory requirements.

Official's Response: We will work with the bonding company to ensure all bonds conform to the requirements of the Mississippi Code Sections for the position.

Repeat Finding: Yes.

Chancery Clerk

Finding 2 : Public Officials Should Ensure Compliance with State Law over the Public Depositor Annual Report.

Applicable State Law: Section 27-105-5(6), Mississippi Code Annotated (1972), states, "Public depositors shall comply with the following requirements:

(a) A public depositor shall ensure that the name of the public depositor and its tax identification number are on the account or certificate provided to the public depositor by the qualified public depository in a manner sufficient to disclose the identity of the public depositor;

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

Finding Detail: During the review of Oktibbeha County, we noted the Chancery Clerk failed to report her bank accounts on the Public Depositor Annual Report.

Failure to report public funds could lead to uninsured (deposits above FDIC Coverage) deposits and subject county funds to a risk of loss.

Recommendation: We recommend the Chancery Clerk ensure all public funds are reported on the Public Depositor Annual Report, as required by state law.

Official's Response: I was just informed of this after completion of this audit year. This report will be prepared for Fiscal Year 2022 going forward.

Repeat Finding: Yes

Board of Supervisors

Finding 3: Public Officials Should Ensure Compliance with State Law over the Final Amended Budget

Applicable State Law: Section 19-11-11 of Mississippi Code Annotated (1972) requires that the original and final amended budget be recorded in detail in the minutes of the Board of Supervisors Meetings. Section 19-11-17 of Mississippi Code Annotated (1972) requires that expenditures are kept within the approved budget.

Finding Detail: During our tests of the County's compliance with budgeting requirements we noted the following instances of noncompliance:

- We noted a board order approving the final amended budget before the October 31st deadline; however we could not determine that the final amended budget was ever approved in detail in the minutes.

- We noted three funds where actual expenditures exceeded budgeted expenditures:

<u>Fund</u>	<u>Amount actual expenditures exceeded budgeted expenditures</u>
EBRF Sun Creek Fund	\$ 68,840
Sanitation and Solid Waste Fund	47,216
Triad Fund	95

Failure to comply with budgeting requirements could result in personal liability for public officials for actual expenditures exceeding budgeted amounts.

Recommendation: We recommend officials comply with Section 19-11-11 and 19-11-17 of the Mississippi Code Annotated (1972) and approve a final amended budget in detail in the minutes before the October 31st deadline and ensure that all actual expenditures are within budgeted amounts.

Official's Response: We will comply with Section 19-11-11 and 19-11-17 of the Mississippi Code Annotated (1972) and approve a final amended budget in detail in the minutes before the October 31st deadline and ensure that all actual expenditures are within budgeted amounts.

Repeat Finding: No

Board of Supervisors, Justice Court Judge and Coroner

Finding 4: Public Officials Should Ensure Compliance with State Law over Filing Statement of Economic Interest.

Applicable State Law: Section 25-4-25(a), Mississippi Code Annotated (1972), states, "Each of the following individuals shall file a statement of economic interest with the commission in accordance with the provisions of this chapter, (a) persons elected by popular vote..." Section 25-4-29(1)(a), Mississippi Code Annotated (1972), states, "Every incumbent public official required by paragraphs (a), (b), (d) and (e) of Section 25-4-25 to file a statement of economic interest shall file such statement with the commission on or before May 1 of each year that such official holds office, regardless of duration." Section 25-4-29(2), Mississippi Code Annotated (1972), states, "Any person who fails to file a statement of economic interest within thirty (30) days of the date of the statement is due shall be deemed delinquent by the commission. The commission shall give written notice of the delinquency to the person by United States mail or by personal service of process. If within fifteen (15) days of receiving written notice of delinquency the delinquent has not filed the statement of economic interest, a fine of Fifty Dollars (\$50) per day, not to exceed a total fine of One Thousand Dollars (\$1,000), shall be assessed against the delinquent filer for each day thereafter in which the statement of economic interest is not properly filed."

Finding Detail: During the review of Oktibbeha County, we noted the following officials failed to file a Statement of Economic Interest with the Mississippi Ethics Commission, as required by state law:

- Supervisor, District 2
- Supervisor, District 4
- Supervisor, District 5
- Justice Court Judge, District 1
- Coroner

Failure to file a Statement of Economic Interest, as required by state law, resulted in noncompliance with the Section 25-4-25 and could result in fines being assessed and a civil judgment being enrolled against the delinquent filers, as allowed by Section 25-4-29(2).

Recommendation: We recommend the Public Officials ensure a Statement of Economic Interest is filed, annually, no later than May 1st of each year that such officials hold office, regardless of the duration.

Official's Response: Each of the above listed officials has been informed that every incumbent public officials is required to file a Statement of Economic Interest. They were told that each official shall file such statement with the Mississippi Ethics Commission on or before May 1st of each year that such official holds office, regardless of the duration. Each of the above officials said they will update their Statements of Economic Interest.

Repeat Finding: Yes

Board of Supervisors and Chancery Clerk

Finding 5: Public Officials Should Ensure Compliance with State Law over the Tax Levy.

Applicable State Law: Section 27-39-317 Mississippi Code Annotated (1972), provides that in making the levy of taxes, the board of supervisors shall specify, in its order, the levy for each purpose. Section 27-51-13 Mississippi Code Annotated (1972), states, “On or before September 10, the clerk of the board of supervisors shall furnish the county tax collector a certified copy of the county tax levy for the ensuing year. This tax levy shall not only show the tax levy for each purpose for which it was levied, but it shall also show the total tax levy for each separate taxing area in the county, including the state ad valorem tax levy.

If for any reason the said county tax levy is not adopted and/or delivered to the county tax collector on or before the 15th day of September, then the said tax collector is hereby authorized to postpone for one (1) month the beginning of the collection of ad valorem taxes and road and bridge privilege taxes on all motor vehicles legally situated in his county and liable for said taxes, and the tax collector shall notify the taxpayers of his county by newspaper publication that the beginning of the collection of said taxes is postponed for one (1) month due to the fact that he has not been furnished with a certified copy of the said tax levy as provided by law. Copies of this said newspaper notice shall be furnished to the State Tax Commission and the Mississippi Highway Safety Patrol, and the provisions of said notice shall be controlling in all respects on such agencies and on any other peace officer, and no damages, penalties or interest shall accrue against any owner of such motor vehicles during such postponement period. If such tax levy is not furnished the tax collector within the said one (1) month, then the same procedure as to postponement shall be followed and the same immunities shall apply from month to month until such tax levy has been furnished the tax collector.”

Section 27-39-319 Mississippi Code Annotated (1972), states, “When the board of supervisors shall have made the levy of county taxes by resolution, the clerk of the board shall thereupon immediately certify the same to the State Auditor and tax collector of the county.

When a resolution levying ad valorem taxes has been adopted by the board of supervisors, the clerk of the board of supervisors shall certify immediately a copy of such resolution to the State Tax Commission. The clerk shall have the resolution of the board of supervisors printed within two (2) weeks after it is entered on the minutes of the board of supervisors, and he shall furnish any taxpayer upon request with a copy thereof. If a newspaper is published within such county, then such resolution shall be published in its entirety, at least one (1) time, within ten (10) days after its adoption. If no newspaper is published within such county, then a copy of such resolution, in its entirety, shall be posted by such clerk in at least three (3) public places in such county, within ten (10) days after its adoption. The clerk shall be liable on his bond for any damages sustained by his failure to comply with the requirements of this section.”

Finding Detail: During the review of Oktibbeha County, we noted the following exceptions with the Fiscal Year 2020-2021 Tax Levy:

- The Clerk did not provide the Tax Assessor/Collector a certified copy of the County’s tax levy for the ensuing year on or before September 10, as required by Section 27-51-13; and
- Tax levy resolution was not published in its entirety (or at all), at least one time, within ten days after its adoption, as required by Section 27-39-319.

Failure to properly approve and publish the tax levy, could result in the incorrect taxes being levied.

Recommendation: We recommend the County ensure the tax levy is properly approved and published in detail.

Official’s Response: I will provide the Tax Collector a certified copy of the tax levy for the ensuing year by September 10th and ensure that the tax levy resolution is published in its’ entirety at least one time within ten days after its’ adoption.

Repeat Finding: Yes

OkTibbeha 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.

Watkins, Ward and Stafford, PLLC
Louisville, Mississippi
November 6, 2023

Watkins Ward and Stafford, PLLC

OKTIBBEHA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

OKTIBBEHA COUNTY
Schedule of Findings and Questioned Costs
For the Year Ended September 30, 2021

Section I: Summary of Auditors' Results

Financial Statements:

1. Type of auditors' report issued on the financial statements:

Governmental activities	Unmodified
Aggregate discretely presented component units	Adverse
General Fund	Unmodified
American Rescue Plan Fund	Unmodified
Countywide Road Maintenance Fund	Unmodified
State Aid Road Fund	Unmodified
Aggregate remaining fund information	Unmodified

2. Internal control over financial reporting:

a. Material weakness(es) identified?	Yes
b. Significant deficiency(ies) identified?	Yes

3. Noncompliance material to financial statements noted? No

Federal Awards:

4. Internal control over major federal programs:

a. Material weakness(es) identified?	No
b. Significant deficiency(ies) identified?	None Reported

5. Type of auditors' report issued on compliance for major programs: Unmodified

6. Any audit finding(s) disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

7. Identification of major federal programs:

a. CFDA# 23.002 Appalachian Area Development
--

8. Dollar threshold used to distinguish between type A and type B programs: \$750,000

9. Auditee qualified as low risk auditee? No

10. Prior fiscal year audit finding(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)? Yes

Section II: Financial Statement Findings

Material Weakness

Board of Supervisors.

2021-001. Component unit should be included in County's financial statements.

Repeat Finding Yes; 2020-001

Criteria: Generally accepted accounting principles require the financial data of the County's component unit to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component unit.

Condition: As reported in the prior eleven years' audit reports, the financial statements do not include the financial data for the County's legally separate component unit.

Cause: Unknown

Effect: The failure to properly follow generally accepted accounting principles resulted in an adverse opinion on the discretely presented component unit.

Recommendation: The Board of Supervisors should provide the audited financial data for its discretely presented component unit for inclusion in the County's financial statements.

Board of Supervisors' Response: The hospital's financial statements are provided to the County and are available to the public upon request.

Significant Deficiency not considered to be a Material Weakness

Board of Supervisors and Tax Assessor/Collector.

2021-002: Public Officials Should Strengthen Controls Over the Interlocal Agreements Between the County and Municipalities for Assessing and Collecting Taxes

Criteria: An effective system of internal controls should include adequate controls over the maintenance of an updating of agreements with other governmental agencies. This would include interlocal agreements between the county and other governments for assessing and collecting taxes.

Condition: During the audit field work, we noted the interlocal agreements between the County and the municipalities of Starkville, Maben, and Sturgis have not been updated since 2004, 2010, and 2010, respectively.

Cause: Unknown

Effect: Failure to update the interlocal agreements each term could result in the agreements becoming outdated.

Recommendation: We recommend the interlocal agreements be updated each term. The agreements should also state how much the Tax Collector is to receive for such assessments and collections. If the agreements do not specify, then the Board should issue a Board Order that states the compensation allowed to the Tax Assessor/Collector.

Views of Responsible Officials: The interlocal agreements will be updated each term. The agreements will state how much the Tax Collector is to receive for such assessments and collections.

Repeat Finding: No.

Significant Deficiency not considered to be a Material Weakness

Board of Supervisors and County Administrator

2021-003: Public Officials Should Strengthen Internal Controls Over Bank Reconciliations and the Use of the County Taxpayer Identification Number.

Criteria: An effective system of internal control should include appropriate custody of all County bank accounts and timely prepared bank reconciliations of these accounts.

Condition: During our audit field work we noted the Oktibbeha Central Drainage District and Oktibbeha County Soil & Water accounts used the County's tax identification number, but the County does not have control of these accounts nor are they included in the County's general ledger.

Cause: These two entity's never applied for their own tax identification number and were allowed by previous administrations to use the County taxpayer identification number.

Effect: Failure to record all transaction in the general ledger and properly reconcile bank statements could result in the misstatement of the County's financial statements, errors, or fraud occurring without being detected in a timely manner.

Recommendation: Public officials should implement policies and procedures to ensure no other outside entities have access to or can use the County's taxpayer identification number.

Views of Responsible Officials: We will implement policies and procedures to ensure no other outside entities have access to or can use the County's taxpayer identification number.

Repeat Finding: No

Section III: Federal Award Findings and Questioned Costs

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

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

OKTIBBEHA COUNTY

BOARD OF SUPERVISORS

P. O. BOX 80285

STARKVILLE, MISSISSIPPI 39759

SUPERVISORS

JOHN MONTGOMERY

ORLANDO TRAINER

MARVELL HOWARD

BRICKLEE MILLER

JOE WILLIAMS

DELOIS FARMER

County Administrator

dfarmer@gtpdd.com

PHONE (662) 323-1520

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AUDITEE'S CORRECTIVE ACTION PLAN

As required by the Uniform Guidance, Oktibbeha County has prepared and hereby submits the following corrective action plan for the findings included in the Schedule of Findings and Questioned Costs for the year ended September 30, 2021:

Finding	Corrective Action Plan Details
2021-001	Component unit should be included in County's financial statement
	A. Name of contact person responsible for corrective action: Delois Farmer, County Administrator
	B. Corrective action planned The county does not wish to have our component unit financial information included with our audited financial statements. The component unit's financial statements are provided to the county and are available to the public by request.
	C. Anticipated completion date N/A
2021-002	Public Officials Should Strengthen Controls Over the Interlocal Agreements Between the County and Municipalities for Assessing and Collecting Taxes
	A. Name of contact person responsible for corrective action: Delois Farmer, County Administrator
	B. Corrective action planned Oktibbeha County and City of Starkville signed an updated Interlocal Governmental Agreement for the collection of ad valorem taxes. We will continue to ensure that all interlocal agreements between Oktibbeha County and other Governmental entities are updated as required.
	C. Anticipated completion date The County and the City of Starkville had already signed a new interlocal Agreement – new agreements will be updated with other governmental entities

2021-003	Public Officials Should Strengthen Internal Controls Over Bank Reconciliations and the Use of The County Taxpayer Identification Number
	A. Name of contact person responsible for corrective action: Delois Farmer, County Administrator
	B. Corrective action planned Board of Supervisors approved removing Oktibbeha County Central Drainage District as well as the Oktibbeha County Soil and Water District from the County's taxpayer identification number.
	C. Anticipated completion date Immediately

Sincerely,



Board President
Oktibbeha County Board of Supervisors

OKTIBBEHA COUNTY

BOARD OF SUPERVISORS

P. O. BOX 80285

STARKVILLE, MISSISSIPPI 39759

SUPERVISORS

JOHN MONTGOMERY
ORLANDO TRAINER
MARVELL HOWARD
BRICKLEE MILLER
JOE WILLIAMS


DELOIS FARMER
County Administrator
dfarmer@gtpdd.com
PHONE (662) 323-1520
FAX (662) 338-1065

AUDITEE'S SUMMARY OF PRIOR YEAR AUDIT FINDINGS

As required by the Uniform Guidance, Oktibbeha County has prepared and hereby submits the following summary of prior year audits findings as of September 30, 2021:

Findings	Status
2020-001	Not Corrected – See 2021-001
2020-002	Corrected

Sincerely,



Board President
Oktibbeha County Board of Supervisors