

# PIKE COUNTY, MISSISSIPPI

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

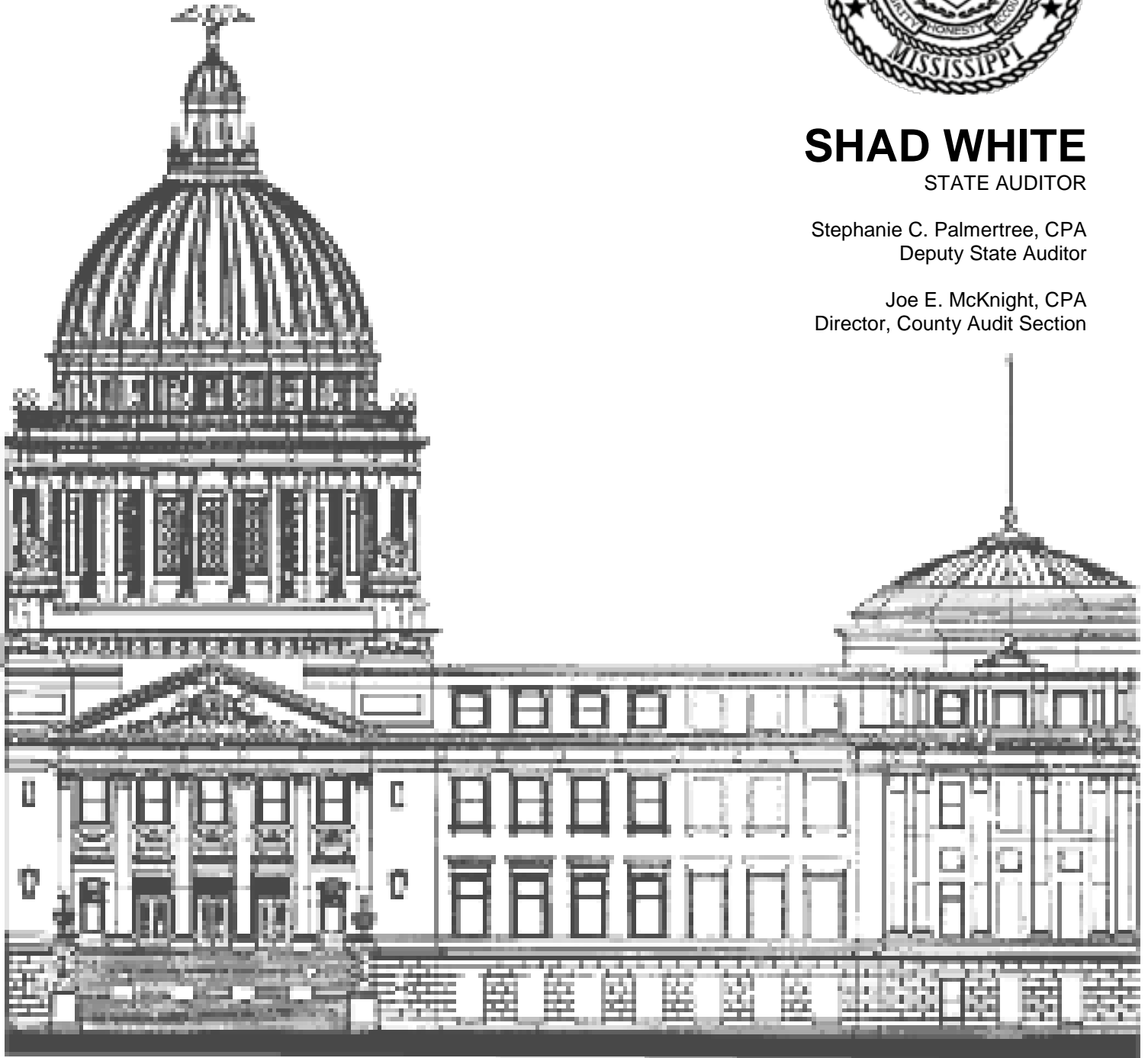


## SHAD WHITE

STATE AUDITOR

Stephanie C. Palmertree, CPA  
Deputy State Auditor

Joe E. McKnight, CPA  
Director, County Audit Section



A Report from the County Audit Section

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**STATE OF MISSISSIPPI  
OFFICE OF THE STATE AUDITOR**

**Shad White**  
AUDITOR

February 24, 2023

Members of the Board of Supervisors  
Pike County, Mississippi

Dear Board Members:

I am pleased to submit to you the 2021 financial and compliance audit report for Pike County. This audit was performed pursuant to Section 7-7-211(e), Mississippi Code Ann. (1972). The audit was performed 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.

I appreciate the cooperation and courtesy extended by the officials and employees of Pike County throughout the audit. Thank you for working to move Mississippi forward by serving as a supervisor for Pike County. If I or this office can be of any further assistance, please contact me or Joe McKnight of my staff at (601) 576-2674.

Respectfully submitted,

A handwritten signature in black ink, appearing to be "Shad White", written over a horizontal line.

Shad White



PIKE COUNTY  
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PIKE COUNTY

FINANCIAL SECTION

## PIKE COUNTY

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**STATE OF MISSISSIPPI  
OFFICE OF THE STATE AUDITOR  
SHAD WHITE  
AUDITOR**

**INDEPENDENT AUDITOR'S REPORT**

Members of the Board of Supervisors  
Pike County, Mississippi

**Report on the Financial Statements**

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

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Pike County Economic Development District, a discretely presented component unit, which represents 100 percent of the assets, net position, and revenues of the aggregate discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pike County Economic Development District, a discretely presented component unit, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### ***Basis for Qualified Opinion on the General Fund***

Management did not maintain adequate subsidiary records documenting the existence and valuation of fines receivable of the Circuit Court or the aging of these fines receivable. Adequate subsidiary records were not maintained and preserved for the Circuit Court fines receivable aging schedules at September 30, 2021. Due to the nature of the County's records, we were unable to satisfy ourselves as to the fair presentation of fines receivable, net, reported in the General Fund at \$835,595, as of September 30, 2021. Also, because of the nature of the fines receivable records, we could not satisfy ourselves as to the fair presentation of the related transactions of the General Fund.

### ***Qualified Opinion***

In our opinion, except for the effects of such adjustments, if any, as might have been determined had we been able to examine evidence to determine the net realizable value of the Circuit Court fines receivable reported in the General Fund as described in the "Basis for Qualified Opinion on the General Fund" paragraph, the financial statements referred to previously presented fairly, in all material respects, the financial position of the General Fund of Pike County, Mississippi, as of September 30, 2021, and the changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Unmodified Opinions***

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

### ***Other Matters***

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

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

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

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

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Pike 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, and the accompanying Reconciliation of Operating Costs of Solid Waste are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, and the Reconciliation of Operating Costs of Solid Waste are the responsibility of management and were 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, based on our audit, the procedures performed as described above, the accompanying Schedule of Expenditures of Federal Awards and the Reconciliation of Operating Costs of Solid Waste are 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 February 24, 2023 on our consideration of Pike 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 Pike 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 Pike County, Mississippi's internal control over financial reporting and compliance.



JOE E. MCKNIGHT, CPA  
Director, County Audit Section

February 24, 2023

PIKE COUNTY

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PIKE COUNTY

FINANCIAL STATEMENTS



## PIKE COUNTY

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PIKE COUNTY  
Statement of Net Position  
September 30, 2021

Exhibit 1

	Primary Government	Component Unit
	Governmental Activities	Pike County Economic Development District
ASSETS		
Cash	\$ 27,362,627	1,048,498
Accrued interest receivable	36,371	
Property tax receivable	15,994,430	
Accounts receivable (net of allowance for uncollectibles of \$1,038,590)	1,136,484	
Fines receivable (net of allowance for uncollectibles of \$14,459,112)	835,595	
Loans receivable	450,000	
Capital leases receivable		490,000
Intergovernmental receivables	441,515	
Other receivables	177,071	
Capital assets:		
Land and construction in progress	7,019,060	881,895
Other capital assets, net	54,109,491	1,006,528
Total Assets	107,562,644	3,426,921
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	1,923,074	73,017
Deferred amount on refunding	242,161	
Total Deferred Outflows of Resources	2,165,235	73,017
LIABILITIES		
Claims payable	442,118	
Accounts payable		4,309
Intergovernmental payables	634,428	
Accrued interest payable	23,865	
Unearned revenue	4,057,286	
Amounts held in custody for others	1,251,908	
Long-term liabilities		
Due within one year:		
Capital debt	1,000,000	
Due in more than one year:		
Capital debt	8,673,213	
Non-capital debt	366,489	
Net pension liability	16,474,423	397,889
Total Liabilities	32,923,730	402,198
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	5,130,978	298,632
Deferred revenues - property taxes	15,994,430	
Deferred inflows related to lease receivable		490,000
Total Deferred Inflows of Resources	21,125,408	788,632

PIKE COUNTY  
Statement of Net Position  
September 30, 2021

Exhibit 1

	<u>Primary Government</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Pike County Economic Development District</u>
NET POSITION		
Net investment in capital assets	51,697,499	1,888,423
Restricted for:		
Expendable:		
General government	1,652,913	
Public safety	1,322,561	
Public works	10,908,559	
Health and welfare	40,672	
Economic development and assistance	2,417,341	
Unemployment compensation	43,063	
Debt service	1,008,894	
Unrestricted	(13,412,761)	420,685
Total Net Position	<u>\$ 55,678,741</u>	<u>2,309,108</u>

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

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

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	Component Unit
					Governmental Activities	Pike County Economic Development District
Primary government:						
Governmental activities:						
General government	\$ 7,585,484	443,677	774,288		(6,367,519)	
Public safety	5,482,782	836,728	36,820		(4,609,234)	
Public works	5,815,825	1,460,245	811,510	1,180,403	(2,363,667)	
Health and welfare	589,802		18,600	207,811	(363,391)	
Culture and recreation	75,390				(75,390)	
Education			4,501		4,501	
Conservation of natural resources	357,565				(357,565)	
Economic development and assistance	986,356			1,000,000	13,644	
Interest on long-term debt	300,976				(300,976)	
Bond Issue Cost	134,218				(134,218)	
Pension expense	760,217				(760,217)	
Total Governmental Activities	\$ 22,088,615	2,740,650	1,645,719	2,388,214	(15,314,032)	
Component unit:						
Pike County Economic Development District	\$ 334,832		695,746			360,914
Total Component Unit	\$ 334,832	0	695,746	0		360,914
General revenues:						
Property taxes				\$ 16,279,418		
Road & bridge privilege taxes				537,905		
Grants and contributions not restricted to specific programs				940,409		
Unrestricted interest income				560,158		3,499
Miscellaneous				456,486		
Total General Revenues				18,774,376		3,499
Changes in Net Position				3,460,344		364,413
Net Position - Beginning, as previously reported				53,228,265		1,944,695
Prior period adjustments				(1,009,868)		
Net Position - Beginning, as restated				52,218,397		1,944,695
Net Position - Ending				\$ 55,678,741		2,309,108

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

PIKE COUNTY  
Balance Sheet - Governmental Funds  
September 30, 2021

Exhibit 3

	Major Funds				
	General Fund	Countywide Road Maintenance Fund	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash	\$ 7,916,313	5,141,756	3,839,667	10,464,891	27,362,627
Accrued interest receivable	7,884	7,741	5,544	15,202	36,371
Property tax receivable	10,107,000	1,878,000		4,009,430	15,994,430
Accounts receivable (net of allowance for uncollectibles of \$1,038,590)				1,136,484	1,136,484
Fines receivable (net of allowance for uncollectibles of \$14,459,112)	835,595				835,595
Loans receivable				450,000	450,000
Intergovernmental receivables	339,580	60,222		41,713	441,515
Other receivables	143,069			34,002	177,071
Due from other funds		73,305		68,898	142,203
Total Assets	\$ 19,349,441	7,161,024	3,845,211	16,220,620	46,576,296
<b>LIABILITIES</b>					
Liabilities:					
Claims payable	\$ 230,328	97,172	771	113,847	442,118
Intergovernmental payables	602,687				602,687
Due to other funds	173,944				173,944
Unearned revenue			3,815,617	241,669	4,057,286
Amounts held in custody for others	1,251,908				1,251,908
Total Liabilities	2,258,867	97,172	3,816,388	355,516	6,527,943
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Unavailable revenue - property taxes	10,107,000	1,878,000		4,009,430	15,994,430
Unavailable revenue - accounts receivable				1,136,484	1,136,484
Unavailable revenue - fines	835,595				835,595
Total Deferred Inflows of Resources	10,942,595	1,878,000	-	5,145,914	17,966,509
<b>Fund balances:</b>					
Restricted for:					
General government				1,652,913	1,652,913
Public safety				1,322,561	1,322,561
Public works		5,185,852	28,823	4,557,400	9,772,075
Health and welfare				40,672	40,672
Economic development and assistance				2,417,341	2,417,341
Unemployment compensation				43,063	43,063
Debt service				1,032,759	1,032,759
Unassigned	6,147,979			(347,519)	5,800,460
Total Fund Balances	6,147,979	5,185,852	28,823	10,719,190	22,081,844
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 19,349,441	7,161,024	3,845,211	16,220,620	46,576,296

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

PIKE COUNTY

Exhibit 3-1

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position  
September 30, 2021

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 22,081,844
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 \$76,692,081.	61,128,551
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,972,079
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(10,039,702)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(16,474,423)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(23,865)
Deferred amount on refunding	242,161
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	1,923,074
Deferred inflows of resources related to pensions	<u>(5,130,978)</u>
Total Net Position - Governmental Activities	\$ <u><u>55,678,741</u></u>

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

PIKE 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	Countywide Road Maintenance Fund	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Property taxes	\$ 10,246,429	1,873,231		4,159,758	16,279,418
Road and bridge privilege taxes		537,905			537,905
Licenses, commissions and other revenue	576,239			193,621	769,860
Fines and forfeitures	723,672				723,672
Intergovernmental revenues	1,328,169	652,208		2,993,965	4,974,342
Charges for services	371,724			1,835,478	2,207,202
Interest income	265,888	89,414	29,594	175,262	560,158
Miscellaneous revenues	361,706	3,816		90,964	456,486
Total Revenues	13,873,827	3,156,574	29,594	9,449,048	26,509,043
<b>EXPENDITURES</b>					
Current:					
General government	6,212,176			1,618,114	7,830,290
Public safety	4,954,471			986,811	5,941,282
Public works	20,000	2,735,894	771	2,878,619	5,635,284
Health and welfare	401,811			149,624	551,435
Culture and recreation	3,500			16,177	19,677
Conservation of natural resources	357,565				357,565
Economic development and assistance	49,411			1,416,790	1,466,201
Debt service:					
Principal				3,075,000	3,075,000
Interest				284,402	284,402
Bond issue costs				134,218	134,218
Total Expenditures	11,998,934	2,735,894	771	10,559,755	25,295,354
Excess of Revenues over (under) Expenditures	1,874,893	420,680	28,823	(1,110,707)	1,213,689
<b>OTHER FINANCING SOURCES (USES)</b>					
Refunding bonds issued				2,345,000	2,345,000
Proceeds from sale of capital assets	100,026				100,026
Premiums on bonds issued				24,469	24,469
Transfers in	163,000			260,513	423,513
Transfers out	(160,000)	(100,513)		(163,000)	(423,513)
Payment to bond refunding escrow agent				(255,251)	(255,251)
Total Other Financing Sources and Uses	103,026	(100,513)	0	2,211,731	2,214,244
Net Changes in Fund Balances	1,977,919	320,167	28,823	1,101,024	3,427,933
Fund Balances - Beginning, as previously reported	4,231,622	4,865,685		9,620,780	18,718,087
Fund reclassification	2,614			(2,614)	0
Prior period adjustment	(64,176)				(64,176)
Fund Balances - Beginning, as restated	4,170,060	4,865,685	0	9,618,166	18,653,911
Fund Balances - Ending	\$ 6,147,979	5,185,852	28,823	10,719,190	22,081,844

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

PIKE COUNTY

Exhibit 4-1

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

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ 3,427,933
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that depreciation of \$1,343,832 exceeded capital outlays of \$1,083,861 in the current period.	(259,971)
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 \$15,971 and the proceeds from the sale of \$100,026 in the current period.	(115,997)
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.	(980,325)
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.	20,241
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 \$3,075,000 exceeded debt proceeds of \$2,345,000.	730,000
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:	
The amount of increase in compensated absences liability	(95,083)
The amount of increase in accrued interest payable	(4,740)
The amortization of refunding bond premium	1,256
The amortization of deferred refunding charges	(13,090)
Payment to bond escrow agent	255,251
Premium on refunding bond	(24,469)



PIKE COUNTY

Exhibit 4-1

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

Amount

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

(760,217)

Recording of contributions made during the year

1,279,555

Change in Net Position of Governmental Activities

\$ 3,460,344

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

PIKE COUNTY  
Statement of Fiduciary Net Position  
September 30, 2021

Exhibit 5

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 225,051
Receivables:	
Due from other funds	<u>31,741</u>
Total Assets	<u><u>256,792</u></u>
LIABILITIES	
Intergovernmental payables	<u>31,741</u>
Total Liabilities	<u><u>31,741</u></u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	<u>225,051</u>
Total Net Position	<u><u>\$ 225,051</u></u>

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

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

Exhibit 6

	<u>Custodial Funds</u>
ADDITIONS	
Tax collections for other governments	\$ 350,089
Licenses and fees collected for State	933,111
Interest income	<u>2,468</u>
Total Additions	<u>1,285,668</u>
DEDUCTIONS	
Payments of tax to other governments	340,400
Payment of licenses and fees to State	<u>837,801</u>
Total Deductions	<u>1,178,201</u>
Net increase (decrease) in fiduciary net position	107,467
Net Position - Beginning	<u>117,584</u>
Net Position - Ending	<u>\$ 225,051</u>

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

## PIKE COUNTY

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

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

##### A. Financial Reporting Entity.

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

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

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

##### B. Individual Component Unit Disclosures.

###### Discretely Presented Component Unit

The component unit's column in the financial statements include the financial data of the following component unit of the County. They are reported in a separate column to emphasize that they are legally separate from the County.

Pike County Economic Development District is a legally separate entity organized under *Section 57-31-1, Mississippi Code of 1972 Annotated*, for the purpose of promoting economic development within the County. The entity is governed by an 11-member board of directors. Pike County appoints six board members; one from each supervisor district and one at-large. The Cities of McComb, Summit, Osyka and Magnolia each appoint one board member. The Pike County Chamber of Commerce appoints one board member. Pike County funds almost all of the entity's entire operating budget.

##### C. Basis of Presentation.

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

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

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

## PIKE COUNTY

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

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

#### Fund Financial Statements:

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

#### D. Measurement Focus and Basis of Accounting.

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

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

The County reports the following major Governmental Funds:

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

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

American Rescue Plan Fund - This fund is used to account for monies from the American Rescue Plan Act of 2021 (ARPA) that are considered restricted in nature.

## PIKE COUNTY

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

Additionally, the County reports the following fund types:

#### GOVERNMENTAL FUND TYPES

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

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

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

#### FIDUCIARY FUND TYPE

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

#### E. Account Classifications.

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

#### F. Deposits and Investments.

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

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

#### G. Receivables.

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

#### H. Interfund Transactions and Balances.

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position.

#### I. Capital Assets.

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the (applicable) governmental activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure, which have been valued

# PIKE COUNTY

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

at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital assets 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.

Governmental accounting and financial reporting standards allow governments meeting certain criteria to elect not to report major general infrastructure assets retroactively. Pike County meets this criteria and has so elected. Therefore, the major general infrastructure assets acquired prior to October 1, 2002, are not reported in the government-wide financial statements. General infrastructure assets include all roads and bridges and other infrastructure assets acquired subsequent to October 1, 2002.

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

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

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

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

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

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

Deferred outflows related to pensions - This amount represents the proportionate share of the deferred outflows of resources reported by the pension plan in which the County and the Pike County Economic Development District, a discretely presented component unit of the County, participate. See Note 11 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

## PIKE COUNTY

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

resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

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

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

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

Deferred inflows related to pensions - This amount represents the proportionate share of the deferred inflows of resources reported by the pension plan in which the County and the Pike County Economic Development District, a discretely presented component unit of the County, participate. See Note 11 for additional details.

Deferred inflows related to lease receivable - This amount represents the Pike County Economic Development District's, a discretely component unit of the County, consumption of revenues from the lease of a building owned by the District.

#### K. Long-term Liabilities.

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

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

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

#### L. Pensions.

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

#### M. Compensated Absences.

The County has adopted a policy of compensation for accumulated unpaid employee personal



## PIKE COUNTY

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

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

#### N. Equity Classifications.

##### Government-wide Financial Statements:

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

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

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

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

##### Net Position Flow Assumption:

When an expense is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the County's general policy to use restricted resources first. When expenses are incurred for purposes for which unrestricted (committed, assigned, 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.

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

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

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

##### Fund Balance Flow Assumption:

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) resources are available, it is the County's general policy to use restricted

## PIKE COUNTY

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

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 collectibility criteria for property tax recognition because the lien and due date cannot be established until the date of original purchase occurs.

#### P. Intergovernmental Revenues in Governmental Funds.

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

#### Q. Changes in Accounting Standards.

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

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

#### (2) Fund Reclassification (Accounting Change).

Effective October 1, 2020, and in accordance with the implementation of GASB Statement No. 84, the Net Payroll Clearing Fund, Memorial Burn Center Fund, and Inmate Trust Fund, previously reported as

## PIKE COUNTY

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

Fiduciary Funds, were reclassified and reported in the General Fund.

For the fiduciary fund custodial activities, the County has treated the beginning of the year net position of \$117,584 as having been recognized in the period incurred. The County has adjusted beginning net position for their fiduciary activities from \$0 to \$117,584.

Additionally, the Pike Grand Gulf Fund's and the Court Administrator Fund's beginning fund balances of \$13,494 and \$(16,108), respectively, were reclassified from a General Fund to a Special Revenue Fund because the activity of the funds are restricted in nature. These funds were misclassified in the prior year.

#### (3) Prior Period Adjustments.

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

##### Exhibit 2 – Statement of Activities – Governmental Activities.

<u>Explanation</u>	<u>Amount</u>
To correct prior year errors in capital assets, net.	\$ (945,692)
To correct beginning balance of intergovernmental payables.	(64,176)
Total prior period adjustments	<u>\$ (1,009,868)</u>

##### Exhibit 4 – Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.

<u>Explanation</u>	<u>Amount</u>
To correct beginning balance of intergovernmental payables in the general fund.	\$ <u>(64,176)</u>

#### (4) Deposits and Investments.

##### Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2021, was \$27,587,678, and the bank balance was \$29,155,861. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by *Section 27-105-5, Mississippi Code of 1972 Annotated*. Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

PIKE COUNTY

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

(5) Interfund Transactions and Balances.

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

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Countywide Road Maintenance Fund	General Fund	\$ 73,305
Other Governmental Funds	General Fund	68,898
Custodial Funds	General Fund	31,741
Total		<u>\$ 173,944</u>

The receivables 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	\$ 163,000
Other Governmental Funds	General Fund	160,000
Other Governmental Funds	Countywide Road Maintenance Fund	100,513
Total		<u>\$ 423,513</u>

The principal purpose of interfund transfers was to allocate Grand Gulf proceeds received from the State and to provide funds for operating expenses. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

(6) Intergovernmental Receivables.

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

<u>Description</u>	<u>Amount</u>
<b>Governmental Activities:</b>	
Legislative tax credit	\$ 262,818
Crime victim assistance grant reimbursement	36,343
Drug court reimbursement	28,510
Gasoline tax	60,222
Various miscellaneous grants	53,622
Total Governmental Activities	<u>\$ 441,515</u>

PIKE COUNTY

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

(7) Loans Receivable.

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

Description	Date of Loan	Interest Rate	Maturity Date	Receivable Balance
Low income housing loan	03/10/2000	1.00%	03/10/2050	\$ <u>450,000</u>

(8) Capital Assets.

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

**Governmental activities:**

	Balance Oct. 1, 2020	Additions	Deletions	Adjustments*	Balance Sept. 30, 2021
<u>Non-depreciable capital assets:</u>					
Land	\$ 4,431,913		26,617		4,405,296
Construction in progress		612,085		2,001,679	2,613,764
Total non-depreciable capital assets	4,431,913	612,085	26,617	2,001,679	7,019,060
<u>Depreciable capital assets:</u>					
Infrastructure	103,953,470			133,098	104,086,568
Buildings	18,546,497			(54,710)	18,491,787
Improvements other than buildings	2,313,832			(884,005)	1,429,827
Mobile equipment	5,648,911	433,614	467,475	24,031	5,639,081
Furniture and equipment	1,074,332	38,162	5,290	47,105	1,154,309
Total depreciable capital assets	131,537,042	471,776	472,765	(734,481)	130,801,572
<u>Less accumulated depreciation for:</u>					
Infrastructure	60,438,282	559,243		2,261,760	63,259,285
Buildings	7,195,962	365,174			7,561,136
Improvements other than buildings	538,343	89,272		(70,722)	556,893
Mobile equipment	4,443,930	290,236	378,624	(12,289)	4,343,253
Furniture and equipment	902,227	39,907	4,761	34,141	971,514
Total accumulated depreciation	73,518,744	1,343,832	383,385	2,212,890	76,692,081
Total depreciable capital assets, net	58,018,298	(872,056)	89,380	(2,947,371)	54,109,491
Governmental activities capital assets, net	\$ <u>62,450,211</u>	<u>(259,971)</u>	<u>115,997</u>	<u>(945,692)</u>	<u>61,128,551</u>

\*Adjustments are to correct prior-year errors in the County's capital asset records.

# PIKE COUNTY

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

Depreciation expense was charged to the following functions:

	Amount
<b>Governmental activities:</b>	
General government	\$ 333,016
Public safety	188,139
Public works	719,650
Health and welfare	40,724
Culture and recreation	55,713
Economic development and assistance	6,590
Total governmental activities depreciation expense	\$ <u>1,343,832</u>

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
Gateway Industrial Park	\$ 2,039,247	July 2022
Dykes-Walthall Road - bridge replacement	25,279	September 2022

### ***Component Unit – Pike County Economic Development District:***

The Pike County Economic Development District capital assets balances as of September 30, 2021, are as follows:

	Balance Oct. 1, 2020	Additions	Balance Sept. 30, 2021
<u>Non-depreciable capital assets:</u>			
Land	\$ 881,895		881,895
Total non-depreciable capital assets	881,895	0	881,895
<u>Depreciable capital assets:</u>			
Buildings	1,025,586		1,025,586
Machinery and equipment	101,020	1,600	102,620
Total depreciable capital assets	1,126,606	1,600	1,128,206
<u>Less accumulated depreciation:</u>	(89,413)	(32,265)	(121,678)
Total depreciable capital assets, net	1,037,193	(30,665)	1,006,528
Component unit capital assets, net	\$ <u>1,919,088</u>	<u>(30,665)</u>	<u>1,888,423</u>

# PIKE COUNTY

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

### (9) Claims and Judgments.

#### Risk Financing.

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

### (10) Long-term Debt.

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
<b>Governmental Activities:</b>			
A. General Obligation Bonds:			
GO Bonds Series 2012A, John E. Lewis Drive	\$ 175,000	1.80-2.50%	04/2022
GO Bonds Series 2012B, Bridge Bonds	3,410,000	2.40-3.40%	10/2032
GO Industrial Park Bonds, Series 2014A	265,000	4.375-6.25%	09/2034
GO Industrial Development Refunding Bonds, Series 2021	2,290,000	1.00-2.50%	09/2034
GO Central Maintenance Facility Bonds, Series 2015	405,000	1.75-2.375%	04/2025
Jail Renovation Bonds, 2015 Refunding	975,000	1.00-2.75%	08/2026
GO Bridge Bonds, Series 2016A	515,000	1.75-2.45%	08/2036
GO Gateway Bonds, Series 2016B	1,615,000	3.625-5.00%	07/2036
Total General Obligation Bonds	<u>\$ 9,650,000</u>		

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

#### Governmental Activities:

Year Ending September 30	General Obligation Bonds	
	Principal	Interest
2022	\$ 1,000,000	369,333
2023	845,000	229,986
2024	870,000	210,849
2025	885,000	188,773
2026	800,000	166,119
2027 - 2031	3,365,000	562,136
2032 - 2036	1,885,000	151,537
Total	<u>\$ 9,650,000</u>	<u>1,878,733</u>

# PIKE COUNTY

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

**Legal Debt Margin** - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2021, the amount of outstanding debt was equal to 2.86 percent (2.86%) of the latest property assessments.

**Advance Refunding** - On February 2, 2021, the County issued \$2,345,000 in general obligation refunding bonds with an average interest rate of 1.00-2.50% to refund \$1,980,000 of the following outstanding bond issue:

<u>Issue</u>	<u>Average Interest Rate</u>	<u>Outstanding Amount Refunded</u>
GO Industrial Park Bonds, Series 2014A	4.375-6.25%	\$ 1,980,000

The GO Industrial Park Bonds, Series 2014A had an outstanding balance of \$2,370,000 at the time of refunding, but only \$1,980,000 of the bond was refunded, leaving a remaining principal balance of \$390,000, of which \$125,000 was redeemed during fiscal year 2021.

The net proceeds of \$2,369,469 (after payment of \$24,469) in underwriting fees and other issuance costs were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the bonds. As a result, those bonds are considered to be defeased, and the liability for those bonds has been removed from the Statement of Net Position.

The County advance refunded the above bonds to reduce its total debt service payments over the next 13 years by almost \$248,898 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$218,563.

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

	<u>Balance Oct. 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance Sept. 30, 2021</u>	<u>Amount due within one year</u>
<b>Governmental Activities:</b>					
Compensated absences	\$ 271,406	95,083		366,489	
General obligation bonds	10,380,000	2,345,000	3,075,000	9,650,000	1,000,000
Add:					
Premiums		24,469	1,256	23,213	
Total	<u>\$ 10,651,406</u>	<u>2,464,552</u>	<u>3,076,256</u>	<u>10,039,702</u>	<u>1,000,000</u>

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



## PIKE COUNTY

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

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

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

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

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

Contributions. At September 30, 2021, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2021 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2021, 2020 and 2019 were \$1,279,555, \$1,230,470 and \$1,086,333, respectively, equal to the required contributions for each year. Pike County Economic Development District's contributions (employer's share only) to PERS for the years ended September 30, 2021, 2020 and 2019 were \$29,100, \$39,882 and \$31,682, respectively, equal to the required contributions for each year.

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

At September 30, 2021, the County reported a liability of \$16,474,423 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

# PIKE COUNTY

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

liability was 0.111461 percent, which was based on a measurement date of June 30, 2021. This was an increase of 0.000676 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 \$760,217. 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	\$ 262,738	
Net difference between projected and actual earnings on pension plan investments		4,969,876
Changes of assumptions	1,267,316	
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	70,127	161,102
County contributions subsequent to the measurement date	322,893	
Total	\$ 1,923,074	5,130,978

\$322,893 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	\$ (722,941)
2023	(573,469)
2024	(755,919)
2025	(1,478,468)
Total	\$ (3,530,797)

### *Component Unit – Pike County Economic Development District*

At September 30, 2021, the District reported a liability of \$397,889 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 District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to projected contributions of all participating employers, actuarially determined. At June 30, 2021, the District's proportion was 0.002692 percent, which was a decrease of 0.001019 from its proportion measured as of June 30, 2020.

For the year ended September 30, 2021, the District recognized pension expense of \$(21,374).

# PIKE COUNTY

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

At September 30, 2021, the District reported as components of pension expense, deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,399	
Net difference between projected and actual earnings on pension plan investments		112,387
Changes of assumptions	30,913	
Changes in the proportion and differences between the District's contributions and proportionate share of contributions	26,565	186,245
District contributions subsequent to the measurement date	8,140	
Total	\$ 73,017	298,632

\$8,140 reported as deferred outflows of resources related to pensions resulting from District 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	\$ (88,012)
2023	(49,961)
2024	(60,075)
2025	(35,707)
Total	\$ (233,755)

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.

# PIKE COUNTY

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

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 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>	

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

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

	<u>1% Decrease (6.55%)</u>	<u>Current Discount Rate (7.55%)</u>	<u>1% Increase (8.55%)</u>
County's proportionate share of the net pension liability	\$ 23,331,645	16,474,423	10,823,526

### Component Unit:

Pike County Economic Development District	563,506	397,889	261,409
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## PIKE COUNTY

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

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

(12) Deficit Fund Balances of Individual Funds.

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

<u>Fund</u>	<u>Deficit Amount</u>
Court Administrator Fund	\$ (27,140)
Juvenile Drug Court Fund	(20,288)
Garbage and Solid Waste Fund	(290,854)
Pike Civil Defense Fund	(9,237)

(13) Contingencies.

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

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

(14) Effect of Deferred Amounts on Net Position.

The governmental activities' unrestricted net position amount of \$(13,412,761) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pensions in the amount of \$322,893 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 \$1,600,181 balance of the deferred outflows of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next three years. The \$5,130,978 balance of the deferred inflows of resources related to pensions at September 30, 2021, will be recognized in pension expense over the next four years.

The governmental activities' net investment in capital asset net position amount of \$51,697,499 includes the effect of deferring the recognition of expenditures resulting from an advance refunding of county debt. The \$242,161 balance of deferred outflows of resources at September 30, 2021, will be recognized as an expense and will decrease the net investment in capital assets over the next 12 years.

***Component Unit – Pike County Economic Development District***

The unrestricted net position amount of \$420,685 includes the effect of deferring the recognition of expenses resulting from a deferred outflow from pensions. The \$73,017 balance of deferred outflow of resources at September 30, 2021 will be recognized as an expense and will decrease the unrestricted net position over the next three years.

## PIKE COUNTY

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

The unrestricted net position amount of \$420,685 includes the effect of deferring the recognition of revenues resulting from a deferred inflow from pensions. The \$298,632 balance of deferred inflow of resources at September 30, 2021 will be recognized as revenue and will increase the unrestricted net position over the next four years.

The unrestricted net position amount of \$420,685 includes the effect of deferring the recognition of revenues resulting from a deferred inflow from lease receivables. The \$490,000 balance of deferred inflow of resources at September 30, 2021 will be recognized as revenue and will increase the unrestricted net position over the next five years.

#### (15) Joint Ventures.

The County participates in the following joint ventures:

Pike County is a participant with the City of McComb in a joint venture, authorized by *Section 61-3-5, Mississippi Code Annotated (1972)*, to operate the McComb-Pike County Airport. The joint venture was created to furnish the McComb-Pike County area with air service. The two entities each appoint three members to the six-member board of commissioners. The County's contribution to the joint venture was \$20,000 in fiscal year 2021. Complete financial statements for the McComb-Pike County Airport can be obtained from 2051 John E. Lewis Drive, McComb, MS 39648.

Pike County is a participant with Amite County and the City of McComb in a joint venture, authorized by *Section 41-13-15, Mississippi Code Annotated (1972)*, to operate the Southwest Mississippi Regional Medical Center. The joint venture was created to provide medical service for the residents of the local area and is governed by seven board members. One member is appointed by Amite County, two by Pike County, two by the City of McComb and two jointly by Pike County and the City of McComb. The hospital is basically self-supporting. However, the Counties and City have the power to approve or disapprove the hospital's budget and are authorized to levy taxes for the maintenance and operation of the hospital. Complete financial statements for the Southwest Mississippi Regional Medical Center can be obtained from 215 Marion Avenue, McComb, MS 39648.

Pike County is a participant with the Counties of Amite and Walthall in a joint venture, authorized by *Section 39-3-11, Mississippi Code Annotated (1972)*, to operate the Pike-Amite-Walthall Regional Library System. The joint venture was created to provide library service for the three Counties and is governed by five board members. The Counties of Amite and Pike appoint two board members each and Walthall County appoints one board member. By contractual agreement, the County's appropriation to the joint venture was \$340,400 in fiscal year 2021. Complete financial statements for the Pike-Amite-Walthall Regional Library System can be obtained from 1022 Virginia Avenue, McComb, MS 39648.

#### (16) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Southwest Mississippi Planning and Development District operates in a District composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The Pike County Board of Supervisors appoints four of the 40 members of the board of directors. The County appropriated \$59,144 for support of the District in fiscal year 2021.

Southwest Mississippi Mental Health Complex operates in a District composed of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The Pike County Board of Supervisors appoints one of the ten members of the board of commissioners. The County appropriated \$89,450 for its support in fiscal year 2021.

Southwest Mississippi Community College operates in a District composed of the Counties of Amite, Pike, Walthall and Wilkinson. The Pike County Board of Supervisors appoints six of the 14 members of the

## PIKE COUNTY

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

college board of trustees. The County appropriated \$1,816,718 for the operations and maintenance of the College in fiscal year 2021.

Southwest Mississippi Development Corporation operates in a District comprised of the Counties of Adams, Amite, Claiborne, Franklin, Jefferson, Lawrence, Lincoln, Pike, Walthall and Wilkinson. The entity is governed by ten members appointed by each County's lead industrial foundation or chamber of commerce. If no industrial foundation or chamber of commerce is present, the member is appointed by the County's Board of Supervisors. The member Counties provide only modest financial support for the entity.

Scenic Rivers Development Authority Alliance operates in a District composed of the Counties of Amite, Franklin, Pike and Walthall, as well as the City of McComb, the Board of Wilkinson County Industrial Development Authority, and Pike County Economic Development District. The Pike County Board of Supervisors appoints two of the 16-member board of trustees. The County appropriated \$280,000 for its support in fiscal year 2021.

#### (17) Tax Abatements.

As of September 30, 2021, Pike County provides tax exempt status to seven manufacturing companies subject to the requirements of GASB Statement No. 77. This company is exempt from real property taxes and personal property taxes except for levies involving the school, the mandatory mill and community college tax levies. This exemption is authorized under *Sections 27-31-101 and 27-31-105 of the Mississippi Code of 1972 Annotated*. This exemption encourages businesses to locate or expand operations in the County and to create jobs. The amount of taxes abated during fiscal year 2021 totaled \$333,055.

#### (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 Pike County evaluated the activity of the County through February 24, 2023, and determined that the following subsequent event has occurred requiring disclosure in the notes to the financial statements.

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

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
10/31/2021	4.19%	\$ 115,828	Capital lease	Ad valorem taxes

## PIKE COUNTY

### REQUIRED SUPPLEMENTARY INFORMATION



## PIKE COUNTY

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 10,033,044	10,480,089	10,480,089	
Licenses, commissions and other revenue	449,925	583,179	583,179	
Fines and forfeitures	539,150	724,364	724,364	
Intergovernmental revenues	1,303,942	1,220,398	1,220,398	
Charges for services	367,500	373,131	373,131	
Interest income	230,000	264,143	264,143	
Miscellaneous revenues	106,500	176,569	176,569	
Total Revenues	<u>13,030,061</u>	<u>13,821,873</u>	<u>13,821,873</u>	<u>0</u>
<b>EXPENDITURES</b>				
Current:				
General government	6,946,638	6,075,671	6,075,671	
Public safety	5,583,773	4,850,356	4,850,356	
Public works	20,000	20,000	20,000	
Health and welfare	421,641	401,588	401,588	
Culture and recreation	3,500	3,500	3,500	
Conservation of natural resources	371,533	357,440	357,440	
Economic development and assistance	67,268	49,466	49,466	
Total Expenditures	<u>13,414,353</u>	<u>11,758,021</u>	<u>11,758,021</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>(384,292)</u>	<u>2,063,852</u>	<u>2,063,852</u>	<u>0</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets		7,950	7,950	
Transfers in		459,000	459,000	
Transfers out	(160,000)	(456,000)	(456,000)	
Other financing uses	430,000			
Total Other Financing Sources and Uses	<u>270,000</u>	<u>10,950</u>	<u>10,950</u>	<u>0</u>
Net Change in Fund Balance	(114,292)	2,074,802	2,074,802	0
Fund Balances - Beginning	<u>2,414,535</u>	<u>3,854,345</u>	<u>3,854,345</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 2,300,243</u>	<u>5,929,147</u>	<u>5,929,147</u>	<u>0</u>

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

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 1,810,580	1,909,117	1,909,117	
Road and bridge privilege taxes	497,500	503,256	503,256	
Intergovernmental revenues	863,407	683,128	683,128	
Interest income	58,000	89,193	89,193	
Miscellaneous revenues	2,100	3,816	3,816	
Total Revenues	<u>3,231,587</u>	<u>3,188,510</u>	<u>3,188,510</u>	<u>0</u>
EXPENDITURES				
Current:				
Public works	<u>3,829,212</u>	<u>2,671,876</u>	<u>2,671,876</u>	
Total Expenditures	<u>3,829,212</u>	<u>2,671,876</u>	<u>2,671,876</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>(597,625)</u>	<u>516,634</u>	<u>516,634</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Transfers out		<u>(100,513)</u>	<u>(100,513)</u>	
Total Other Financing Sources and Uses	<u>0</u>	<u>(100,513)</u>	<u>(100,513)</u>	<u>0</u>
Net Change in Fund Balance	<u>(597,625)</u>	<u>416,121</u>	<u>416,121</u>	<u>0</u>
Fund Balances - Beginning	<u>4,500,000</u>	<u>4,725,635</u>	<u>4,725,635</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 3,902,375</u>	<u>5,141,756</u>	<u>5,141,756</u>	<u>0</u>

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

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$	3,815,617	3,815,617	
Interest income		24,050	24,050	
Total Revenues	<u>0</u>	<u>3,839,667</u>	<u>3,839,667</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>0</u>	<u>3,839,667</u>	<u>3,839,667</u>	<u>0</u>
Net Change in Fund Balance	0	3,839,667	3,839,667	0
Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 0</u>	<u>3,839,667</u>	<u>3,839,667</u>	<u>0</u>

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

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

	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.111461%	0.110785%	0.110642%	0.114092%	0.110804%	0.111519%	0.115483%	0.114113%
County's proportionate share of the net pension liability (asset)	16,474,423	21,446,683	19,464,143	18,976,952	18,419,339	19,920,144	17,851,368	13,851,271
Covered payroll	7,283,561	7,639,276	6,781,009	6,832,216	6,676,762	7,140,724	7,380,800	7,133,416
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	226.19%	280.74%	287.04%	277.76%	275.87%	278.97%	241.86%	194.17%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

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

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

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,279,555	1,230,470	1,086,333	1,071,782	1,061,660	1,115,014	1,147,827
Contributions in relation to the contractually required contribution	<u>1,279,555</u>	<u>1,230,470</u>	<u>1,086,333</u>	<u>1,071,782</u>	<u>1,061,660</u>	<u>1,115,014</u>	<u>1,147,827</u>
Contribution deficiency (excess)	\$ <u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered payroll	\$ 7,353,764	7,639,276	6,730,688	6,804,965	6,740,698	7,079,448	7,287,790
Contributions as a percentage of covered payroll	17.40%	17.40%	16.14%	15.75%	15.75%	15.75%	15.75%

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

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

PIKE COUNTY

Schedule of the Pike County Economic Development District's Proportionate Share of the Net Pension Liability

Last 10 Fiscal Years\*

For the Year Ended September 30, 2021

UNAUDITED

	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.002692%	0.003711%	0.003324%	0.004576%	0.001798%	0.001798%	0.002658%	0.002656%
District's proportionate share of the net pension liability (asset) \$	397,889	718,415	584,727	761,063	550,310	321,102	410,900	318,817
District's covered payroll \$	201,014	229,207	191,748	254,978	159,302	108,451	141,403	153,092
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	197.940939%	313.435017%	305.375552%	298.481830%	345.450779%	296.080257%	290.587894%	208.258433%
Plan fiduciary net position as a percentage of the total pension liability	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

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

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

PIKE COUNTY  
Schedule of Pike County Economic Development District's Contributions  
Last 10 Fiscal Years\*  
For the Year Ended September 30, 2021  
UNAUDITED

Component Unit	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 29,100	39,882	31,682	41,321	30,761	16,473	22,271
Contributions in relation to the contractually required contribution	<u>29,100</u>	<u>39,882</u>	<u>31,682</u>	<u>41,321</u>	<u>30,761</u>	<u>16,473</u>	<u>22,271</u>
Contribution deficiency (excess)	\$ <u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
District's covered payroll	\$ 167,239	229,207	196,298	262,356	195,289	104,590	141,403
Contributions as a percentage of covered payroll	17.40%	17.40%	**	15.75%	15.75%	15.75%	15.75%

\*\* Until July 1, 2019, contributions were 15.75%.  
Subsequent to July 1, 2019, contributions were 17.40%.

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

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



## PIKE COUNTY

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# PIKE COUNTY

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

### A. Budgetary Information.

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

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

### B. Basis of Presentation.

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

### C. Budget/GAAP Reconciliation.

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

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

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

	Governmental Fund Types		
	General Fund	Countywide Road Maintenance Fund	American Rescue Plan Fund
Budget (Cash Basis)	\$ 2,074,802	416,121	3,839,667
Increase (Decrease)			
Net adjustments for revenue accruals	(151,970)	(31,936)	(3,810,073)
Net adjustments for expenditure accruals	55,087	(64,018)	(771)
GAAP Basis	\$ 1,977,919	320,167	28,823

## PIKE COUNTY

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

#### Pension Schedules

##### A. Changes of assumptions.

###### 2015

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

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

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

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

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

###### 2016

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

###### 2017

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

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

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

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

###### 2019

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

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

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

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

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

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

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

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

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

## PIKE COUNTY

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

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%.

#### 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.

## PIKE COUNTY

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

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

## PIKE COUNTY

## SUPPLEMENTARY INFORMATION

## PIKE COUNTY

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

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal AL Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Agriculture - Food and Nutrition Service Programs Passed-through the Mississippi State Department of Health WIC special supplemental nutrition program for women, infants and children	10.557	5MS700704	\$ <u>281,353</u>
Total U.S. Department of Agriculture			<u>281,353</u>
U.S. Department of Justice / Office of Justice Programs Passed-through the Mississippi Department of Health Crime victim assistance	16.575	2021-VA-061	<u>201,764</u>
Total U.S. Department of Justice			<u>201,764</u>
U.S. Department of Homeland Security/ Passed-through the Mississippi Emergency Management Agency Disaster grants - public assistance (Presidentially declared disasters)*	97.036	FEMA-4551-DR-MS	<u>339,462</u>
Total U.S. Department of Homeland Security			<u>339,462</u>
Total Expenditures of Federal Awards			\$ <u><u>822,579</u></u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Pike County under programs of the federal government for the year ended September 30, 2021. The information in this Schedule is presented in accordance with the requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Pike County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Pike County.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credit made in the normal course of business to amounts reported as expenditures in prior years.

Note C - Indirect Cost Rate

Pike County has elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

\* Denotes major federal award program



PIKE COUNTY  
Reconciliation of Operating Costs of Solid Waste  
For the Year Ended September 30, 2021

Operating Expenditures, Cash Basis:

Salaries	\$	101,340
Expendable Commodities:		
Office, field and shop supplies		1,589
Maintenance		40,200
Solid waste disposal fee		1,600,896
Professional fees, legal advertising and other fees		111,570
Postage and box rent		<u>37,277</u>
Solid Waste Cash Basis Operating Expenditures		1,892,872
Full Cost Expenses:		
Indirect administrative costs		<u>159,408</u>
Solid Waste Full Cost Operating Expenses	\$	<u><u>2,052,280</u></u>

## PIKE COUNTY

## OTHER INFORMATION

## PIKE COUNTY

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

Name	Position	Company	Bond
Tazwell Bowsky	Supervisor District 1	Western Surety Co.	\$100,000
Samuel L. Hall	Supervisor District 2	Western Surety Co.	\$100,000
Robert J. Accardo	Supervisor District 3	Western Surety Co.	\$100,000
Jacob Joseph Gazzo	Supervisor District 4	Western Surety Co.	\$100,000
Carroll Lee Fortenberry, Jr.	Supervisor District 5	Western Surety Co.	\$100,000
Rebecca Buie	Chancery Clerk	Travelers Casualty & Surety Co.	\$100,000
Tanuyon M. Dangerfield	County Administrator	Western Surety Co.	\$100,000
Tammy A. Rayborn	Purchase Clerk	Western Surety Co.	\$100,000
Tanuyon M. Dangerfield	Assistant Purchase Clerk	Western Surety Co.	\$75,000
Felicia D. Lewis	Receiving Clerk	Western Surety Co.	\$75,000
Blanket Bond (6)	Assistant Receiving Clerk	Western Surety Co.	\$50,000
Blanket Bond (6)	Assistant Receiving Clerk	Western Surety Co.	\$50,000
Debra A. Evans	Inventory Control Clerk	Western Surety Co.	\$75,000
Wendell Alexander	Road Manager	Western Surety Co.	\$50,000
Roger A. Graves	Circuit Clerk	Western Surety Co.	\$100,000
Juanita H. Pounds	Deputy Circuit Clerk	Western Surety Co.	\$50,000
Brenda Denise Robinson	Deputy Circuit Clerk	Western Surety Co.	\$50,000
Leachia Ann Robinson	Deputy Circuit Clerk	Western Surety Co.	\$50,000
Brenda R. Williams	Deputy Circuit Clerk	Western Surety Co.	\$50,000
Kayla Ruth Roberts	Deputy Circuit Clerk	Western Surety Co.	\$50,000
Oliver B. James	Constable	Western Surety Co.	\$50,000
Mark E. Thompson	Constable	Western Surety Co.	\$50,000
James B. Brumfield	Sheriff	Western Surety Co.	\$100,000
Aubrey P. Rimes	Justice Court Judge	Western Surety Co.	\$50,000
Melvin Hollins	Justice Court Judge	Western Surety Co.	\$50,000
Fulton D. Brewer	Justice Court Judge	Western Surety Co.	\$50,000
Andranette R. Jordan	Justice Court Clerk	Western Surety Co.	\$50,000
Andranette R. Jordan	Justice Court Clerk	Western Surety Co.	\$50,000
Velva Ratliff	Deputy Justice Court Clerk	Western Surety Co.	\$50,000
Angela R. Smith	Deputy Justice Court Clerk	Western Surety Co.	\$50,000
Jason A. Newman	Deputy Justice Court Clerk	Western Surety Co.	\$50,000
Loretta D. Conerly	Deputy Justice Court Clerk	Western Surety Co.	\$50,000
Pamela A. Woods	Deputy Justice Court Clerk	Western Surety Co.	\$50,000
Takeia Monique Coleman	Deputy Justice Court Clerk	Western Surety Co.	\$50,000
Linda S. Moore	Deputy Justice Court Clerk	Western Surety Co.	\$50,000
Danyell Patrice Martin	Deputy Justice Court Clerk	Western Surety Co.	\$50,000
Phyllis Hughes Lumpkin	Deputy Justice Court Clerk	Western Surety Co.	\$50,000
Lederrick Deon Davis	Deputy Justice Court Clerk	Western Surety Co.	\$50,000
Alison Aline Lebatard	Deputy Justice Court Clerk	Western Surety Co.	\$50,000
Suzanna Lynn Morris	Deputy Justice Court Clerk	Western Surety Co.	\$50,000
Gwendolyn J. Nunnery	Tax Collector	Western Surety Co.	\$100,000
Erica L. Guidry	Deputy Tax Collector	Western Surety Co.	\$50,000

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

Name	Position	Company	Bond
Erica L. Guidry	Deputy Tax Collector	Western Surety Co.	\$50,000
Magan B. Harvey	Deputy Tax Collector	Western Surety Co.	\$50,000
Ashely Abraham	Deputy Tax Collector	Western Surety Co.	\$50,000
Bonnie Noel	Deputy Tax Collector	Western Surety Co.	\$50,000
Barbara D. Tate	Deputy Tax Collector	Western Surety Co.	\$50,000
Johanna J. White	Deputy Tax Collector	Western Surety Co.	\$50,000
Annette McGhee	Deputy Tax Collector	Western Surety Co.	\$50,000
Rebecca B. Rials	Deputy Tax Collector	Western Surety Co.	\$50,000
Delores T. Brown	Deputy Tax Collector	Western Surety Co.	\$50,000
Lee Ann Patterson	Deputy Tax Collector	Western Surety Co.	\$50,000
Jennifer A. Privatte	Deputy Tax Collector	Western Surety Co.	\$50,000
Pamela M. Coleman	Deputy Tax Collector	Western Surety Co.	\$50,000
Laurie Allen	Tax Assessor	Travelers Casualty & Surety Co.	\$50,000
William M. Johnson, Jr	Deputy Tax Assessor	Western Surety Co.	\$50,000
Angela R. Coulliette	Deputy Tax Assessor	Western Surety Co.	\$50,000
Mechelle L. Duncan	Deputy Tax Assessor	Western Surety Co.	\$50,000
Angela G. Washington	Deputy Tax Assessor	Western Surety Co.	\$50,000
Terry P. Boyd	Deputy Tax Assessor	Western Surety Co.	\$10,000
Kenya Fuller Lofton	Deputy Tax Assessor	Western Surety Co.	\$10,000
Lance E. Honea	Deputy Tax Assessor	Western Surety Co.	\$10,000
Ted M. Lofton	Deputy Tax Assessor	Western Surety Co.	\$10,000
Alice M. Barnes	Deputy Tax Assessor	Western Surety Co.	\$50,000

## PIKE COUNTY

## SPECIAL REPORTS

## PIKE COUNTY

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**STATE OF MISSISSIPPI  
OFFICE OF THE STATE AUDITOR  
SHAD WHITE  
AUDITOR**

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

Members of the Board of Supervisors  
Pike County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Pike County, Mississippi (the County), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 24, 2023. Our report includes a reference to other auditors. Other auditors audited the financial statements of the Pike County Economic Development District, as described in our report on Pike County, Mississippi's financial statements. Also, our report includes a qualified opinion on the General Fund because the County did not maintain and preserve adequate subsidiary records documenting the existence and valuation of the Circuit Court fines receivable, net, and the aging of these receivables at September 30, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Pike County, Mississippi's internal control over financial reporting (internal control) as a basis for designing 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 Pike County, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as 2021-001 and 2021-002 that we consider to be material weaknesses.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Pike 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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001.

We also noted certain matters, which we have reported to the management of Pike County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and the Limited Internal Control and Compliance Review Management Report dated February 24, 2023, included within this document.

## **Pike County's Responses to Findings**

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

A handwritten signature in black ink, reading "Joe E. Mcknight". The signature is written in a cursive, flowing style.

JOE E. MCKNIGHT, CPA  
Director, County Audit Section

February 24, 2023



**STATE OF MISSISSIPPI  
OFFICE OF THE STATE AUDITOR  
SHAD WHITE  
AUDITOR**

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

Members of the Board of Supervisors  
Pike County, Mississippi

**Report on Compliance for the Major Federal Program**

We have audited Pike 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 Pike County, Mississippi's major federal program for the year ended September 30, 2021. Pike County, Mississippi's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for Pike 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 Pike 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 Pike County, Mississippi's compliance.

***Opinion on the Major Federal Program***

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

## Report on Internal Control Over Compliance

Management of Pike 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 Pike County, Mississippi's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

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

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



JOE E. MCKNIGHT CPA  
Director, County Audit Section

February 24, 2023



**STATE OF MISSISSIPPI  
OFFICE OF THE STATE AUDITOR  
SHAD WHITE  
AUDITOR**

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

Members of the Board of Supervisors  
Pike County, Mississippi

We have examined Pike County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with *Sections 31-7-101 through 31-7-127, Mississippi Code of 1972 Annotated* and compliance with the purchasing requirements in accordance with bid requirements of *Section 31-7-13, Mississippi Code of 1972 Annotated* during the year ended September 30, 2021. The Board of Supervisors of Pike 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 Pike County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

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

The results of our audit procedures disclosed a certain instance of noncompliance with the aforementioned code sections. This instance of noncompliance was considered in forming our opinion on compliance. Our finding and recommendation and your response are disclosed below:

**Receiving Clerk and Assistant Receiving Clerks.**

1. Assistant Receiving Clerks were not bonded individually.

**Repeat Finding** Yes

**Criteria** *Section 31-7-124, Mississippi Code Annotated (1972)*, requires Assistant Receiving Clerks to execute a bond in a penalty not less than \$50,000, to be payable, conditioned and approved as provided by law. In addition, *Section 25-1-15(2), Mississippi Code Annotated (1972)*, requires a new bond every four years concurrent with the normal election cycle of the County for all public employees required to give individual bond.

<b>Condition</b>	The County has six Assistant Receiving Clerks that are bonded under a blanket bond for \$50,000.
<b>Cause</b>	The County did not comply with state laws.
<b>Effect</b>	Failure to comply with state statutes would limit the amount available for recovery if a loss occurred over multiple terms.
<b>Recommendation</b>	The County should cancel the blanket bond and obtain individual bonds for the Assistant Receiving Clerks in the amount of \$50,000 for a period of time concurrent with the normal election cycle of the Governor or with the normal election cycle of the local government applicable to the employee.
<b>Views of Responsible Official(s)</b>	The County will comply with the recommendation presented, and the County will reduce the number of assistant receiving clerks.

In our opinion, except as explained in the third paragraph and except for the noncompliance referred to in the preceding paragraph, Pike County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2021.

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

Pike County's response to the finding included in this report was not audited, and accordingly, we express no opinion on it.

This report is intended for use in evaluating Pike 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.



JOE E. MCKNIGHT, CPA  
Director, County Audit Section

February 24, 2023

PIKE COUNTY

Schedule 1

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

<u>Date</u>	<u>Item Purchased</u>	<u>Bid Accepted</u>	<u>Vendor</u>	<u>Lowest Bid</u>	<u>Reason for Accepting Other Than the Lowest Bid</u>
8/17/2021	Voting system	\$ 208,750	Election Systems	\$ 138,795	Alternative not EAC Certified

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

Schedule 2

Our tests did not identify any emergency purchases.

PIKE 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.



## PIKE COUNTY

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**STATE OF MISSISSIPPI  
OFFICE OF THE STATE AUDITOR  
SHAD WHITE  
AUDITOR**

**LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT**

Members of the Board of Supervisors  
Pike County, Mississippi

In planning and performing our audit of the financial statements of Pike County, Mississippi for the year ended September 30, 2021, we considered Pike 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 Pike 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 February 24, 2023, on the financial statements of Pike County, Mississippi.

Due to the reduced scope, these review procedures and compliance tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with *Section 7-7-211, Mississippi Code of 1972 Annotated*, the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

The results of our review procedures and compliance tests identified certain areas that are opportunities for strengthening internal controls and operating efficiency. Our findings, recommendations, and your responses are disclosed below:

**Board of Supervisors.**

1. The Board of Supervisors should approve all tax abatements.

**Repeat Finding** No.

**Criteria** *Section 27-31-101 and 27-31-105, Mississippi Code of 1972 Annotated*, states that the County Board of Supervisors, in their discretion, may grant exemptions from ad valorem taxation, except state ad valorem taxation and taxes for school district purposes, on tangible properties of new enterprises and additions to or expansions of facilities for any person, firm or corporation who owns or operates a manufacturing or other enterprise of public utility.

**Condition** During the test work it was noted that a tax abatement agreement entered into by the County was not approved by the Board of Supervisors.

<b>Cause</b>	The County did not follow procedures to comply with state laws.
<b>Effect</b>	Failure to approve tax abatements may result in the loss of public funds.
<b>Recommendation</b>	The County should ensure that all tax abatement agreements are approved by the Board of Supervisors, citing the appropriate statute, and spread upon the minutes of the Board of Supervisors.

<b>Views of Responsible Official(s)</b>	The Board of Supervisors will continue to follow procedures to comply with state laws when documents are properly submitted. This agreement in question was never submitted to the Board of Supervisors for consideration.
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**2.** The privilege tax on heavy trucks was improperly settled to the county school district.

<b>Repeat Finding</b>	No.
<b>Criteria</b>	<i>Section 27-19-11, Mississippi Code of 1972 Annotated</i> , states that counties receiving the annual highway privilege tax on vehicles with a gross weight exceeding ten thousand (10,000) pounds and the additional privilege tax on vehicles with a licensed weight exceeding eighty-four thousand (84,000) pounds shall distribute these proceeds as they would if these collections were ad valorem taxes.

<b>Condition</b>	The County did not settle all of the required portion of the privilege tax on heavy trucks to the county school district. During fiscal year 2021 and 2020, the County collected \$85,289 and \$77,111 in unsettled additional privilege tax respectively, and the County owes \$29,032 and \$27,791 in unsettled additional privilege tax to the county school district for 2021 and 2020 respectively.
------------------	--

<b>Cause</b>	The County misinterpreted the law.
<b>Effect</b>	Failure to settle all of the required funds deprives the county school district of entitled funds.

<b>Recommendation</b>	The County should settle the privilege tax on heavy trucks to the county school district as if they were ad valorem taxes.
-----------------------	--

<b>Views of Responsible Official(s)</b>	After verbal conversations with the audit team and staff managers at the Department of Revenue's apportion tax division and the motor vehicle tax division, the County will be changing the method that has been used in calculating the distribution of the additional privilege revenue. There has been some misinterpretation regarding the reports that are sent via TAP and that is available from the MARVIN system that prior administration had been instructed to use in the distribution.
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**Sheriff.**

**3.** The Sheriff should establish adequate segregation of duties.

<b>Repeat Finding</b>	Yes.
<b>Criteria</b>	An effective system of internal control for collecting, recording, and disbursing cash in the Sheriff's office should include adequate segregation of duties.

<b>Condition</b>	During our testing, we noted a lack of segregation of duties in the Sheriff's office. The same employee receipts cash, prepares all bank deposits, posts receipts to the cash journal, prepares all bank reconciliations and prepares the monthly settlement reports.
------------------	---

<b>Cause</b>	The Sheriff lacked the necessary internal controls.
<b>Effect</b>	Failure to implement controls over the collecting, recording, and disbursing of cash and establish adequate segregation of duties in the Sheriff's office could result in the loss or misappropriation of public funds.
<b>Recommendation</b>	The Sheriff should take steps to ensure there are adequate segregation of duties in the cash collection and disbursement functions for all accounts.
<b>Views of Responsible Official(s)</b>	We will take steps to make sure corrections are made.
<b>4.</b>	<u>The Pike County Sheriff's Office should strengthened controls by making daily cash deposits.</u>
<b>Repeat Finding</b>	Yes.
<b>Criteria</b>	An effective system of internal control over cash includes daily bank deposits.
<b>Condition</b>	Results of tests performed indicated that the Sheriff's office was making deposits once per month.
<b>Cause</b>	The Sheriff lacked the necessary internal controls to ensure daily deposits were made.
<b>Effect</b>	Failure to deposit collections daily could result in the misappropriation of public funds.
<b>Recommendation</b>	The Sheriff should implement controls to ensure that daily bank deposits are made.
<b>Views of Responsible Official(s)</b>	We will take steps to make sure corrective measures are implemented.

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

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



JOE E. MCKNIGHT, CPA  
Director, County Audit Section

February 24, 2023

## PIKE COUNTY

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PIKE COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

## PIKE COUNTY

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# PIKE COUNTY

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

### Section 1: Summary of Auditor's Results

#### **Financial Statements:**

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

Governmental activities	Unmodified
Aggregate discretely presented component unit	Unmodified
General Fund	Qualified
Countywide Road Maintenance Fund	Unmodified
American Rescue Plan Fund	Unmodified
Aggregate remaining fund information	Unmodified
2. Internal control over financial reporting:
  - a. Material weaknesses identified? Yes
  - b. Significant deficiency identified? None Reported
3. Noncompliance material to the financial statements noted? Yes

#### **Federal Awards:**

4. Internal control over major federal programs:
  - a. Material weakness identified? No
  - b. Significant deficiency identified? None Reported
5. Type of auditor's report issued on compliance for major federal program: 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. AL # 97.036, Disaster grants - public assistance (Presidentially declared disasters)
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) which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)? No



PIKE COUNTY

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

Section 2: Financial Statement Findings

**Board of Supervisors.**

**Material Weakness  
Material Noncompliance**

<b>2021-001.</b>	<u>County signed warrants without sufficient money.</u>
<b>Repeat Finding</b>	No.
<b>Criteria</b>	<i>Section 19-13-43, Mississippi Code of 1972 Annotated</i> , prohibits the signing of warrants or the delivery of warrants until there is sufficient money in the fund upon which it is drawn to pay the same.
<b>Condition</b>	Warrants were issued on funds which did not have sufficient money to pay the warrants. As of September 30, 2021, the following funds have negative cash balances in the indicated amounts:  A. Court Administrator Fund - \$26,931 B. Juvenile Drug Court Fund - \$20,288 C. Garbage and Solid Waste Fund - \$175,802 D. Pike County Civil Defense Fund - \$9,084
<b>Cause</b>	The County did not comply with state laws.
<b>Effect</b>	Failure to have sufficient cash balances in County funds prior to issuing warrants on these funds resulted in other funds' cash being used for purposes other than their intended purpose. This situation could result in the Board of Supervisors being held personally liable for said amounts.
<b>Recommendation</b>	The Board of Supervisors should ensure that no warrants are signed or delivered until there is sufficient money in the fund upon which it is drawn to pay the same as required by law.
<b>Views of Responsible Official(s)</b>	See Auditee's Corrective Action Plan.

**Circuit Clerk.**

**Material Weakness**

<b>2021-002.</b>	<u>The Circuit Court Clerk should ensure effective controls over fines receivable.</u>
<b>Repeat Finding</b>	No
<b>Criteria</b>	An effective system of internal control over fines receivable records should include maintaining adequate subsidiary records to substantiate the total fines receivable balance.
<b>Condition</b>	Management did not maintain adequate subsidiary records documenting the existence and valuation of fines receivable for Circuit Clerk Court Fines and aging of fines receivable as of September 30, 2021.
<b>Cause</b>	The Circuit Clerk lacks the necessary internal controls over procedures to accurately maintain fines receivable.

PIKE COUNTY

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

<b>Effect</b>	The independent auditor's report includes a qualified opinion on the General Fund because we were unable to satisfy ourselves as to the fair presentation of the Circuit Clerk's fines receivable.
<b>Recommendation</b>	The Circuit Clerk should establish procedures documenting the existence and valuation of Circuit Clerk fines receivable, including the aging schedule of fines receivable.
<b>Views of Responsible Official(s)</b>	See Auditee's Corrective Action Plan.

Section 3: Federal Award Findings and Questioned Costs

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

## PIKE COUNTY

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## PIKE COUNTY

### AUDITEE'S CORRECTIVE ACTION PLAN

## PIKE COUNTY

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# PIKE COUNTY



Tazwell Bowsky  
*1<sup>st</sup> District*

Samuel Hall  
*2<sup>nd</sup> District*

Robert Accardo  
*3<sup>rd</sup> District*

Jake Gazzo  
*4<sup>th</sup> District*

Lee Fortenberry  
*5<sup>th</sup> District*

Becky Buie  
*Chancery Clerk*

Tanuyon Dangerfield, CPPB  
*County Administrator*

Wayne Dowdy  
*Board Attorney*

## BOARD OF SUPERVISORS

January 5, 2023

### CORRECTIVE ACTION PLAN

Office of the State Auditor  
501 N. West Street, Suite 801  
Jackson, Mississippi 39201

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

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

#### SECTION 2: FINANCIAL STATEMENT FINDINGS

##### 2021-001. Corrective Action Planned:

Three of the four funds in question are grants that are reimbursable and the funds expended late in the fiscal year had not yet been reimbursed. The County has made adjustments to those budgets to cover anticipated expenses.

Anticipated Completion Date:

The adjustments were made immediately and are reflective in the FY 2021-2022

Name of Contact Person Responsible for Corrective Action:

Tami Dangerfield, County Administrator, (601) 783 5289

##### 2021-002. Corrective Action Planned:

I will print the Aged Fines Receivable report for year ending 09/30/22 on October 1, 2022. The printing of this report will complete the process and correct the finding.

Anticipated Completion Date

To be determined

Name of Contact Person Responsible for Corrective

Action Roger Graves, Circuit Clerk, (601) 783 2581

Sincerely,

A handwritten signature in black ink, appearing to be 'R. Graves', written over a horizontal line.

President, Pike County Board of Supervisors