



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

**QUITMAN COUNTY, MISSISSIPPI**

**Audited Financial Statements and Special Reports**

**For the Year Ended September 30, 2021**



# QUITMAN COUNTY

## TABLE OF CONTENTS

FINANCIAL SECTION .....	1
INDEPENDENT AUDITOR’S REPORT .....	2
FINANCIAL STATEMENTS .....	5
Statement of Net Position – Cash Basis .....	6
Statement of Activities – Cash Basis .....	7
Statement of Cash Basis Assets and Fund Balances – Governmental Funds.....	8
Statement of Cash Receipts, Disbursements, and Changes in Cash Basis Fund Balances – Governmental Funds.....	9
Statement of Fiduciary Net Position – Cash Basis .....	10
Statement of Changes in Fiduciary Net Position – Cash Basis .....	11
Notes to Financial Statements .....	12
OTHER INFORMATION .....	20
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) General Fund .....	21
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) Road and Bridge Fund ....	22
Schedule of Capital Assets .....	23
Schedule of Changes in Long-term Debt .....	24
Schedule of Surety Bonds for County Officials .....	25
Notes to Other Information .....	26
SPECIAL REPORTS.....	27
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	28
Independent Accountant’s Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules (Required by Section 31-7-115, Miss. Code Ann. (1972)).....	30
Limited Internal Control and Compliance Review Management Report .....	36
SCHEDULE OF FINDINGS AND RESPONSES .....	44

# **QUITMAN COUNTY**

## **FINANCIAL SECTION**



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

3528 MANOR DRIVE  
VICKSBURG, MISSISSIPPI 39180

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

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

## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors  
Quitman County, Mississippi

### Report on the Financial Statements

We have audited the accompanying cash basis financial statements, of the governmental activities, each major fund, and the aggregate remaining fund information of Quitman 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 the cash basis of accounting, as described in Note 1. This includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or

error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, each major fund and the aggregate remaining fund information of Quitman County, Mississippi, as of September 30, 2021, and the respective changes in cash basis financial position, thereof for the year then ended, in accordance with the basis of accounting described in Note 1.

### **Basis of Accounting**

We draw attention to Note 1 of the financial statements which describes that Quitman County, Mississippi prepares its financial statements on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United State of America. Our opinions are not modified with respect to this matter.

### **Other Matters**

The Budgetary Comparison Schedules, Schedule of Capital Assets, Schedule of Changes in Long-term Debt, and Schedule of Surety Bonds for County Officials and corresponding notes have 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 them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 18, 2023, on our consideration of Quitman 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 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 Quitman 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 Quitman County, Mississippi's internal control over financial reporting and compliance.

*Bridgers, Goodman, Baird & Clarke, PLLC*

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

January 18, 2023

## **QUITMAN COUNTY**

## **FINANCIAL STATEMENTS**



QUITMAN COUNTY  
Statement of Net Position – Cash Basis  
September 30, 2021

Exhibit 1

	Primary Government Governmental Activities
<b>Assets</b>	
Cash	\$ 6,794,701
Total Assets	<u>6,794,701</u>
<b>Net Position</b>	
Restricted:	
Expendable:	
General government	1,082,100
Debt service	113,580
Public safety	565,407
Public works	2,945,658
Culture and recreation	568
Economic development	16,100
Unrestricted	<u>2,071,288</u>
Total Net Position	<u>\$ 6,794,701</u>

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

**QUITMAN COUNTY**  
**Statement of Activities – Cash Basis**  
**For the Year Ended September 30, 2021**

**Exhibit 2**

Functions/Programs	Cash Disbursements	Charges for Services	Program Receipts		Net (Disbursements) Receipts and Changes in Net Position
			Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 2,675,690	265,321	679,050	400,000	(1,331,319)
Public safety	2,218,850	88,750	76,556		(2,053,544)
Public works	4,661,783	149,538		1,198,459	(3,313,786)
Health and welfare	177,965				(177,965)
Culture and recreation	104,944		24,512		(80,432)
Conservation of natural resources	43,000				(43,000)
Economic development and assistance	208,277			241,037	32,760
Debt Service:					
Principal	535,668				(535,668)
Interest	8,922				(8,922)
Total Governmental Activities	\$ 10,635,099	503,609	780,118	1,839,496	(7,511,876)
<b>General receipts:</b>					
Property taxes				\$	7,006,865
Road & bridge privilege taxes					78,465
Grants and contributions not restricted to specific programs					844,352
Unrestricted investment income					21,950
Proceeds from sale of capital assets					17,428
Proceeds from debt issued					920,020
Miscellaneous					86,143
Total General Receipts					8,975,223
Changes in Net Position					1,463,347
Net Position - Beginning, as previously reported					5,212,187
Fund reclassification					119,167
Net Position - Beginning of year, as restated					5,331,354
Net Position - Ending				\$	6,794,701

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

**QUITMAN COUNTY**  
**Statement of Cash Basis Assets and Fund Balances**  
**Governmental Funds**  
**September 30, 2021**

**Exhibit 3**

	<u>General Fund</u>	<u>Road &amp; Bridge Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash	\$ <u>2,071,288</u>	<u>1,846,398</u>	<u>2,877,015</u>	<u>6,794,701</u>
Total Assets	<u>2,071,288</u>	<u>1,846,398</u>	<u>2,877,015</u>	<u>6,794,701</u>
<b>FUND BALANCES</b>				
Restricted for:				
General government			1,082,100	1,082,100
Public safety			565,407	565,407
Public works		1,846,398	1,099,260	2,945,658
Culture and recreation			568	568
Economic development			16,100	16,100
Debt service			113,580	113,580
Unassigned	<u>2,071,288</u>			<u>2,071,288</u>
Total Fund Balances	\$ <u>2,071,288</u>	<u>1,846,398</u>	<u>2,877,015</u>	<u>6,794,701</u>

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

**QUITMAN COUNTY**
**Exhibit 4**
**Statement of Cash Receipts, Disbursements, and Changes in Cash Basis**
**Fund Balances - Governmental Funds**
**For the Year Ended September 30, 2021**

	Major Funds			
	General	Road &	Other	Total
	Fund	Bridge	Governmental	Governmental
	Fund	Fund	Funds	Funds
RECEIPTS				
Property taxes	\$ 4,338,811	2,527,084	140,970	7,006,865
Road and bridge privilege taxes		78,465		78,465
Licenses, commissions and other receipts	125,317		2,587	127,904
Fines and forfeitures	137,417			137,417
Intergovernmental receipts	349,391	520,706	2,593,869	3,463,966
Charges for services	19,588		218,700	238,288
Interest income	21,570		380	21,950
Miscellaneous receipts	61,534	1,012	23,597	86,143
Total Receipts	5,053,628	3,127,267	2,980,103	11,160,998
DISBURSEMENTS				
Current:				
General government	2,663,005		12,685	2,675,690
Public safety	1,996,663		222,187	2,218,850
Public works	10,000	3,647,565	1,004,218	4,661,783
Health and welfare	125,771		52,194	177,965
Culture and recreation	81,000		23,944	104,944
Conservation of natural resources	43,000			43,000
Economic development and assistance	118,612		89,665	208,277
Debt service:				
Principal		169,373	366,295	535,668
Interest		8,107	815	8,922
Total Disbursements	5,038,051	3,825,045	1,772,003	10,635,099
Excess of Receipts over (under) Disbursements	15,577	(697,778)	1,208,100	525,899
OTHER CASH SOURCES ( USES)				
Proceeds from sale of capital assets	4,686	12,742		17,428
Proceeds from debt issued		920,020		920,020
Transfers in	254,962		552,412	807,374
Transfers out	(31,068)		(776,306)	(807,374)
Total Other Cash Sources and Uses	228,580	932,762	(223,894)	937,448
Net Changes in Cash Basis Fund Balances	244,157	234,984	984,206	1,463,347
Cash Basis Fund Balances - Beginning, as previously reported	1,707,964	1,611,414	1,892,809	5,212,187
Fund reclassification	119,167			119,167
Cash Basis Fund Balances - Beginning, as restated	1,827,131	1,611,414	1,892,809	5,331,354
Cash Basis Fund Balances - Ending	\$ 2,071,288	1,846,398	2,877,015	6,794,701

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

**QUITMAN COUNTY**  
**Statement of Fiduciary Net Position – Cash Basis**  
**September 30, 2021**

**Exhibit 5**

	<u>Custodial Funds</u>
<b>ASSETS</b>	
Cash	\$ 8,572
	<hr/>
Total Assets	<u><u>8,572</u></u>
 <b>NET POSITION</b>	
Restricted for:	8,572
Individuals, organizations and other governments	
	<hr/>
Total Net Position	\$ <u><u>8,572</u></u>

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

**QUITMAN COUNTY**  
**Statement of Changes in Fiduciary Net Position – Cash Basis**  
**For the Year Ended September 30, 2021**

**Exhibit 6**

	<u><b>Custodial Funds</b></u>
<b>ADDITIONS</b>	
Licenses and fees collected for State	\$ <u>14,818</u>
Total Additions	<u>14,818</u>
<b>DEDUCTIONS</b>	
Payments of licenses and fees to State	<u>6,246</u>
Total Deductions	\$ <u>6,246</u>
Net increase (decrease) in fiduciary net position	8,572
Net Position - Beginning of year	<u>0</u>
Net Position - End of year	\$ <u>8,572</u>

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

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

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

**A. Financial Reporting Entity** - Quitman 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. The financial statements of the County are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America as established by the Governmental Accounting Standards Board. These accounting principles require Quitman County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County. There are no outside organizations that should be included as component units of the County reporting entity.

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

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

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

**Government-wide Financial Statements:**

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

The Statement of Net Position - Cash Basis presents the financial condition of the governmental activities of the County at year-end. The Government-wide Statement of Activities - Cash Basis presents a comparison between direct disbursements and program receipts for each function or program of the County's governmental activities. Direct disbursements are those that are specifically associated with a service, program, or department and therefore, are clearly identifiable to a particular function. Program receipts include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular

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

program. Taxes and other receipts not classified as program receipts are presented as general receipts of the County, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function is self-financing or draws from the general receipts 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, fund balances, receipts, and disbursements. Funds are organized into governmental and fiduciary. 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.

**C. Measurement Focus and Basis of Accounting** – The Government-wide, Governmental Funds and Fiduciary Funds financial statements are presented on a cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America (GAAP) as established by the Governmental Accounting Standards Board. This basis of accounting involves the reporting of only cash and cash equivalents and the changes therein resulting from cash inflows (cash receipts) and cash outflows (cash disbursements) reported in the period in which they occurred. This cash basis of accounting differs from GAAP primarily because revenues (cash receipts) are recognized when received in cash rather than when earned and susceptible to accrual, and expenditures or expenses (cash disbursements) are recognized when paid rather than when incurred or subject to accrual.

The County reports the following major governmental funds:

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

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

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 cash sources that are restricted or committed to disbursement 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 disbursement for principal and interest.



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

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

Permanent Funds – These funds are used to account for and report resources that are restricted to the extent that only interest received, and not principal, may be used for purposes that support the County's programs.

**FIDUCIARY FUND TYPE**

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

**D. Account Classifications** – The account classifications used in the financial statements conform to the board classifications recommended in *Governmental Accounting, Auditing and Financial Reporting* as issued in 2012 by the Government Finance Officers Associations.

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

Cash includes cash on hand, demand deposits, all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less).

**F. Equity Classifications**

Government-wide Financial Statements:

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

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."

Net Position Flow Assumption – When a disbursement is paid for purposes for which both restricted and unrestricted (unassigned) resources are available, it is the County's general policy to use restricted resources first. When disbursements are made for purposes for which unrestricted (unassigned) resources are available, and amounts in the unrestricted classification could be used, it is the County's general policy to spend 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.

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

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

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

*Unassigned fund balance* is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds if disbursements paid 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 a disbursement is paid for purposes for which both restricted and unrestricted (unassigned) resources are available, it is the County’s general policy to use restricted resources first. When disbursements are paid for purposes for which unrestricted (unassigned) resources are available, it is the County’s general policy to spend unassigned amounts.

**G. 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. All property taxes are recognized as receipts when collected.

**H. Changes in Accounting Standards.**

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

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

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

**NOTE 2 – FUND RECLASSIFICATIONS.**

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

Exhibit 2 - Statement of Activities - Cash Basis

Explanation	Amount
Governmental Activities	
To reclassify agency funds to the General Fund for the implementation of GASB 84	119,167
Total fund reclassifications	<u>\$ 119,167</u>

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

Explanation	Amount
General Fund	
To reclassify agency funds to the General Fund for the implementation of GASB 84	119,167
Total fund reclassifications	<u>\$ 119,167</u>

**NOTE 3 – DEPOSITS.**

The carrying amount of the County's total deposits with financial institutions at September 30, 2021, was \$6,803,273, and the bank balance was \$7,181,317. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

**Custodial Credit Risk – Deposits.** Custodial credit risk is the risk that in the event of the failure of a financial institution, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. The County does not have a formal policy for custodial credit risk. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State

Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC). Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the County.

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

**NOTE 4 – INTERFUND TRANSFERS.**

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

A. Transfers In/Out:

Transfers In	Transfers Out	Amount
General Fund	Other Governmental Funds	\$ 254,962
Other Governmental Funds	General Fund	31,068
Other Governmental Funds	Other Governmental Funds	521,344
Total		<u>\$ 807,374</u>

The principal purpose of the transfers was for 1) county matching on grants, 2) transfer of excess funds, 3) transfer of funds for renovations of special projects, and 4) allocation of funds for the payment of notes for capital purchases. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

**NOTE 5 – CLAIMS AND JUDGMENTS.**

Risk Financing.

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

**NOTE 6 – OPERATING LEASES.**

As Lessor:

On February 1, 2005, the County entered into a lease with Rushing Aviation for rental of an airplane hangar for \$921 per month for the first 10 years and decreasing to \$798 per month for the next 10 years, ending January of 2025.

On May 1, 2017, a lease agreement was updated whereby the County leases a cell tower to AT&T for \$1,500 per month.

The County receives income from property it leases under noncancellable operating leases. Total income from such leases was \$28,133 for the year ended September 30, 2021. The future minimum lease receivables for these leases are as follows:

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

<u>Year Ending September 30:</u>	<u>Amount</u>
2022	\$ 28,920
2023	28,920
2024	28,920
2025	28,920
2026	20,858
2027	7,957
Total	<u>\$ 144,495</u>

**NOTE 7 – 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 disbursements of resources for allowable purposes. The County may be responsible for any disallowances.

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.

Claim Liability – Pursuit to Section 65-15-21 “Refund to Municipalities” and Section 65-15-23 “Payment of Municipal Refund”, Mississippi Code Ann. (1972), the County received a request to refund one-half (1/2) of all ad valorem taxes collected by or for the county on property within the municipality (the streets of which are worked at the expense of the municipal treasury) for road purposes of the County. The claim requested that ad valorem taxes collected for the fiscal years 2018, 2019, and 2020 be refunded to the municipality. While it appears the municipality has authority to make such a claim, there are certain mitigating factors which may affect the amount of the claim. It is not possible at the present time to estimate the ultimate outcome or liability.

**NOTE 8 – JOINTLY GOVERNED ORGANIZATIONS.**

The County participates in the following jointly governed organizations:

Coahoma Community College operates in a district composed of the Counties of Bolivar, Coahoma, Quitman, Tallahatchie, and Tunica. The Quitman County Board of Supervisors appoints 2 of the 12 members of the College Board of Trustees. The County levied \$164,261 in taxes for maintenance and support in the fiscal year 2021.

Northwest Community College operates in a district composed of the Counties of Benton, Calhoun, DeSoto, Lafayette, Marshall, Panola, Quitman, Tallahatchie, Tunica, and Yalobusha. The Quitman County Board of Supervisors appoints one of the 23 members of the College Board of Trustees. The County levied \$138,447 in taxes for maintenance and support in the fiscal year 2021.

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

Mid-State Opportunity, Inc. operates in a district composed of the counties of DeSoto, Panola, Quitman, Tallahatchie, Tate, and Tunica. The Quitman County Board of Supervisors appoints two of the 30 members of the Board of Directors. The other member counties appoint eight members, in the aggregate. Ten members are appointed from the business sector and ten members are appointed by minority disadvantaged persons who use the services of the organization. Most of the entity's funding comes from federal funds, with less than one percent coming from the counties in the aggregate.

Yazoo-Mississippi Water Management District operates in a district composed of the Counties of Bolivar, Carroll, Coahoma, DeSoto, Holmes, Humphreys, Issaquena, Leflore, Panola, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tunica, Washington, and Yazoo. The Quitman County Board of Supervisors appoints 2 of 21 members of the Board of Commissioners. The County levied \$59,122 in taxes to support the district in fiscal year 2021.

Region One Mental Health Center operates in a district composed of the counties of Coahoma, Quitman, Tallahatchie, and Tunica. The Quitman County Board of Supervisors appoints one of the four member board of commissioners. The County appropriated \$25,200 to the Center for support in the fiscal year 2021.

North Delta Planning and Development District operates in a district composed of the counties of Coahoma, DeSoto, Panola, Quitman, Tallahatchie, Tate, and Tunica. The Quitman County Board of Supervisors appoints four of the 30 members of the Board of Directors. The County contributes a small percentage of the District's total revenue. The County appropriated \$17,500 for support of the District in fiscal year 2021.

**NOTE 9 – DEFINED BENEFIT PENSION PLAN.**

*General Information about the Pension Plan*

Plan Description. Quitman 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. Benefit provisions are established by state law 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.

Funding Policy. 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 rate at September 30, 2021 was 17.40% of annual covered payroll. The contribution requirements of PERS members 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 \$567,331, \$509,153, and \$450,038, respectively, equal to the required contributions for each year.

## **QUITMAN COUNTY**

## **OTHER INFORMATION**

**QUITMAN COUNTY**  
**Budgetary Comparison Schedule – Budget to 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>RECEIPTS</b>				
Property taxes	\$ 4,323,584	4,338,811	4,338,811	-
Licenses, commissions and other receipts	101,600	125,317	125,317	-
Fines and forfeitures	126,000	137,417	137,417	-
Intergovernmental receipts	436,610	349,391	349,391	-
Charges for services	15,000	19,588	19,588	-
Interest income	29,000	21,570	21,570	-
Miscellaneous receipts	74,800	61,534	61,534	-
Total Receipts	5,106,594	5,053,628	5,053,628	-
<b>DISBURSEMENTS</b>				
General government	2,696,540	2,663,005	2,663,005	-
Public safety	1,809,700	1,996,663	1,996,663	-
Public works	10,000	10,000	10,000	-
Health and welfare	116,900	125,771	125,771	-
Culture and recreation	81,000	81,000	81,000	-
Conservation of natural resources	61,600	43,000	43,000	-
Economic development and assistance	122,000	118,612	118,612	-
Debt service	18,200	-	-	-
Total Disbursements	4,915,940	5,038,051	5,038,051	-
Excess of Receipts over (under) Disbursements	190,654	15,577	15,577	-
<b>OTHER CASH SOURCES (USES)</b>				
Sources	481,630	259,648	259,648	-
Uses	(106,889)	(31,068)	(31,068)	-
Total Other Cash Sources and Uses	374,741	228,580	228,580	-
Net Change in Cash Basis Fund Balance	565,395	244,157	244,157	-
Cash Basis Fund Balance - Beginning, as previously stated	966,697	1,707,964	1,707,964	
Fund Reclassification	-	119,167	119,167	
Cash Basis Fund Balances - Beginning, as restated	966,697	1,827,131	1,827,131	-
<b>Cash Basis Fund Balance - Ending</b>	<b>\$ 1,532,092</b>	<b>2,071,288</b>	<b>2,071,288</b>	<b>-</b>

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



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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>RECEIPTS</b>				
Property taxes	\$ 2,524,355	2,527,084	2,527,084	-
Road and bridge privilege taxes	75,000	78,465	78,465	-
Intergovernmental receipts	477,000	520,706	520,706	-
Miscellaneous receipts	2,000	1,012	1,012	-
Total receipts	3,078,355	3,127,267	3,127,267	-
<b>DISBURSEMENTS</b>				
Public works	4,002,380	3,647,565	3,647,565	-
Debt service	653,000	177,480	177,480	-
Total Disbursements	4,655,380	3,825,045	3,825,045	-
Excess of Receipts over (under) Disbursements	(1,577,025)	(697,778)	(697,778)	-
<b>OTHER CASH SOURCES/(USES)</b>				
Sources	1,010,000	932,762	932,762	-
Uses	-	-	-	-
Total Other Cash Sources and Uses	1,010,000	932,762	932,762	-
Net Change in Cash Basis Fund Balance	(567,025)	234,984	234,984	-
Cash Basis Fund Balance - Beginning	2,193,058	1,611,414	1,611,414	-
<b>Cash Basis Fund Balance - Ending</b>	<b>\$ 1,626,033</b>	<b>1,846,398</b>	<b>1,846,398</b>	<b>-</b>

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

**QUITMAN COUNTY**  
**Schedule of Capital Assets**  
**For the Year Ended September 30, 2021**  
**UNAUDITED**

<b>GOVERNMENTAL ACTIVITIES</b>	<b>Balance</b>				<b>Balance</b>
	<b>Oct. 1, 2020</b>	<b>Additions</b>	<b>Deletions</b>	<b>Adjustments</b>	<b>Sept. 30, 2021</b>
Land	\$ 325,060				325,060
Construction in progress	616,308	574,430			1,190,738
Infrastructure	3,867,924				3,867,924
Buildings	3,745,533				3,745,533
Improvements other than buildings	662,231				662,231
Mobile equipment	5,575,503				5,575,503
Furniture & equipment	705,982				705,982
Capital Leases	-				-
Total capital assets	<u>\$ 15,498,541</u>	<u>574,430</u>	<u>-</u>	<u>-</u>	<u>16,072,971</u>

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

**QUITMAN COUNTY**  
**Schedule of Changes in Long-Term Debt**  
**For the Year Ended September 30, 2021**  
**UNAUDITED**

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

<b>Governmental activities:</b>								
<b>DESCRIPTION</b>	<b>Issue Date</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Balance Oct. 1, 2020</b>	<b>Issued</b>	<b>Principal Payments</b>	<b>Adjustments</b>	<b>Balance Sept. 30, 2021</b>
<b>A. Equipment Notes</b>								
Motor Graders	11/10/16	11/10/21	2.35%	342,752		342,752		-
Dump Truck	11/27/17	11/27/22	2.38%	105,569		105,569		-
Dump Trucks	5/7/20	5/7/25	2.44%	330,846		63,613		267,233
Motor Graders	6/21/21	6/21/26	2.29%		920,020			920,020
<b>B. Other Loans</b>								
Capital loan - airport (hangar)	1/2/05	4/1/26	3.00%	49,885		8,422		41,463
Capital improvements revolving loan	7/16/08	8/1/23	3.00%	45,646		15,312		30,334
				<u>\$ 874,698</u>	<u>920,020</u>	<u>535,668</u>	<u>-</u>	<u>1,259,050</u>

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

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

<b>Name</b>	<b>Position</b>	<b>Surety Company</b>	<b>Amount</b>
Sheridan Boyd	Supervisor District 1	Western Surety Company	\$ 100,000
Greg Thomas	Supervisor District 2	Western Surety Company	100,000
Johnny Tullos	Supervisor District 3	Western Surety Company	100,000
Manual Killebrew	Supervisor District 4	Western Surety Company	100,000
Jeremy Moore	Supervisor District 5	Western Surety Company	100,000
Otis Jones	County Administrator	Western Surety Company	100,000
T.H. Butch Scipper	Chancery Clerk	Western Surety Company	100,000
Tracy G. Pinkston	Purchasing Clerk	Western Surety Company	75,000
Sheryl S Cole	Assistant Purchasing Clerk	Western Surety Company	50,000
Rosie B. Autman Moss	Receiving Clerk	Western Surety Company	75,000
Carol Foster	Assistant Receiving Clerk	Western Surety Company	50,000
Beatrice Pryor	Assistant Receiving Clerk	Western Surety Company	50,000
Bill Knight	Inventory Control Clerk	Western Surety Company	75,000
Brenda Wiggs	Circuit Clerk	Western Surety Company	100,000
Bobbie Buggs	Deputy Circuit Clerk	Western Surety Company	50,000
Harold Dean Wiggs	Deputy Circuit Clerk	Western Surety Company	50,000
Oliver Parker, Jr.	Sheriff	Western Surety Company	100,000
Brenda Cook	Justice Court Judge	Western Surety Company	50,000
Joe M Brown	Justice Court Judge	Western Surety Company	50,000
Gloria Survillion	Justice Court Clerk	Western Surety Company	50,000
Haley Pennington	Deputy Justice Court Clerk	Western Surety Company	50,000
Alice Smith	Tax Collector/Assessor	Western Surety Company	100,000
Sallie M Price	Tax Collector/Assessor Deputy	Western Surety Company	50,000
Tiffany Griffin	Tax Collector/Assessor Deputy	Western Surety Company	50,000
Dorothy Peoples	Tax Collector/Assessor Deputy	Western Surety Company	50,000
Darlissia Cannon	Tax Collector/Assessor Deputy	Western Surety Company	50,000
Robert Andrews	Road Manager	Western Surety Company	50,000
Tyrone Survillion	Constable	Western Surety Company	50,000
Thomas Bryant	Constable	Western Surety Company	50,000

**QUITMAN COUNTY, MISSISSIPPI**  
**NOTES TO OTHER INFORMATION**  
**For the Year Ended September 30, 2021**  
**UNAUDITED**

**NOTE 1 - Budgetary Comparison Schedule**

**A. Budgetary Information.**

Statutory requirements dictate how and when the county's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the County, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff and Tax Assessor-Collector for his or her respective department, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of receipt, each general item of disbursement, 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 presents the original legally adopted budget, the final legally adopted budget, actual amounts on a budgetary 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.

**NOTE 2 – LONG-TERM DEBT INFORMATION**

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the county. As of September 30, 2021, the amount of outstanding debt was equal to 1.46% of the latest property assessments.

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

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
10/7/2021	4.25%	\$ 250,300	Other Loan	Ad valorem taxes
11/3/2021	4.25%	200,300	Other Loan	Ad valorem taxes
11/19/2021	2.05%	750,000	Other Loan	Ad valorem taxes

## **QUITMAN COUNTY**

### **SPECIAL REPORTS**

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

3528 MANOR DRIVE  
VICKSBURG, MISSISSIPPI 39180

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

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

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

Members of the Board of Supervisors  
Quitman County, Mississippi

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the cash basis financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Quitman County, Mississippi (the County), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 18, 2023.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control 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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

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

We noted certain matters that we reported to the management of Quitman 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 January 18, 2023, included within this document.

## Purpose of this Report

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

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

January 18, 2023



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

3528 MANOR DRIVE  
VICKSBURG, MISSISSIPPI 39180

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

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

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

Members of the Board of Supervisors  
Quitman County, Mississippi

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

**Purchase Clerk**

**1.** Public Officials Should Establish and Maintain Internal Control and Compliance with Public Purchasing Laws.

**Repeat Finding** No.

**Criteria** The County is responsible for complying with the requirements of the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws; Titles 31 and 37.

**Condition** The County failed to comply with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37. A well-designed purchasing system would comply with the provisions of Titles 31 and 37 and would include proper bid requirements as well as the use of purchase requisitions, purchase orders, and receiving reports. During our test work, we noted the following instances of non-compliance:

- One (1) instance where no competitive bid or second quote was obtained for an expenditure of greater than \$5,000
- One (1) instance where a sole source purchase was not approved on the minutes or listed on the Purchase Clerk Schedules
- One (1) instance where there were no purchasing documents beyond the invoice
- One (1) instance where the invoice is dated prior to the purchase requisition and purchase order

**Cause** The County has failed to establish and maintain an adequate internal control system to ensure compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37.

**Effect** The County is not in compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37.

**Recommendation** The County should establish and maintain an adequate internal control system which would ensure that the County is in compliance with the State of Mississippi Policies and Procedures with reference to the Public Purchasing Laws: Titles 31 and 37.

**Response** The Purchase Clerk will comply with the State of Mississippi Policies and Procedures with reference to the Public Purchase Laws; Titles 31 and 37. The Purchase Clerk will inform all Department Heads that if a purchase is made without a purchase order number that the invoice for said purchase has to be taken before the Board of Supervisors to approve payment for said invoice and placed within the minutes.

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

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

Quitman 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 the central purchasing system and inventory control system of Quitman County, Mississippi, and is not intended to be and should not be relied upon for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

*Bridgers, Goodman, Baird & Clarke, PLLC*

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

January 18, 2023

**QUITMAN COUNTY**  
**Schedule of Purchases Not Made from the Lowest Bidder**  
**For the Year Ended September 30, 2021**

Schedule 1

Our tests did not identify any purchases that were not made from the lowest bidder.

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

Schedule 2

Our test results did not identify any emergency purchases.

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

<u>Date</u>	<u>Item Purchased</u>	<u>Amount</u>	<u>Vendor</u>
9/30/2021	Tasers	\$ 9,548.85	Axon Enterprise, Inc.

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

3528 MANOR DRIVE  
VICKSBURG, MISSISSIPPI 39180

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

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

## LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors  
Quitman County, Mississippi

In planning and performing our audit of the cash basis financial statements of Quitman County, Mississippi (the County) for the year ended September 30, 2021, we considered Quitman 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 Quitman County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated January 18, 2023, on the financial statements of Quitman County, Mississippi.

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

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

### Board of Supervisors

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

Repeat Finding

No

<b>Criteria</b>	<i>Section 25-1-15, Mississippi Code Annotated (1972), states, "A new bond in an amount not less than that required by law shall be secured upon employment and coverage shall continue by the securing of a new bond every four (4) years concurrent with the normal election cycle of the Governor or with the normal election cycle of the local government applicable to the employee."</i>
<b>Condition</b>	<p>During the course of our testing we noted the following instances of non-compliance:</p> <ul style="list-style-type: none"> <li>• One (1) deputy circuit clerk had a continuation certificate only</li> <li>• One (1) deputy justice court clerk was bonded as the justice court clerk</li> <li>• One (1) deputy tax collector is bonded as both a deputy tax collector and a deputy tax assessor on the same bond</li> <li>• One (1) deputy tax assessor was not bonded prior to beginning work</li> </ul>
<b>Cause</b>	Public Officials and the Board of Supervisors have insufficient control over the requirements for bonding officials and employees.
<b>Effect</b>	Failure to have a bond in place for a specific term could limit the amount available for recovery if a loss occurred over multiple terms, as well as the current terms.
<b>Recommendation</b>	We recommend the Board of Supervisors implement procedures to ensure that County officials' and employees' bonds meet the requirements of State Laws.
<b>Response</b>	The Quitman County Board of Supervisors have corrected said findings. The Board of Supervisors will send out inter office memos to all department heads related to procedures of County officials and employees' bond required by state law. A copy of the inter office Memo will be placed upon the minutes.

#### **Board of Supervisors and Purchase Clerk.**

#### **2. Public Officials Should Ensure that Credit Card Expenditures are in Compliance with State Law.**

<b>Repeat Finding</b>	Yes, 2020, 2019, 2018
<b>Criteria</b>	<i>Section 19-3-68, Mississippi Code Annotated (1972), states, "The board of supervisors of any county may acquire one or more credit cards which may be used by members of the board of supervisors and county employees to pay expenses incurred by them when traveling in or out of the state in the performance of their official duties....The issuance of a credit card to a supervisor or county employee under the provisions of this section does not authorize the supervisor or county employee to use the credit card to make any expenditure that is not otherwise authorized by law. Any supervisor or county employee who uses the credit card to</i>



make an expenditure that is not approved for payment by the board shall be personally liable for the expenditure and shall reimburse the county.”

<b>Condition</b>	During the course of our test work, we noted one instance where the county credit card was used to make expenditures for items other than travel.
<b>Cause</b>	The County has failed to establish a credit card usage policy and failed to maintain an adequate internal control system to ensure compliance with the credit card statute.
<b>Effect</b>	The County is not in compliance with the State’s credit card purchasing law, and this may result in the misappropriation of public funds.
<b>Recommendation</b>	The Board should ensure that the County’s credit card usage policy is in compliance with state law. The Purchase Clerk should ensure that only approved, travel-related expenditures are made on the County’s credit cards unless using an approved State Procurement Card.
<b>Response</b>	The Quitman County Board of Supervisors and Purchase Clerk shall comply with Credit Card Expenditures State Law. The Board has adopted the Credit Card Usage Policy as of October 17, 2022.

#### **Circuit Clerk.**

#### **3. Circuit Clerk Should Ensure Compliance with State Law over Depositing Excess into the County General Fund.**

<b>Repeat Finding</b>	No
<b>Criteria</b>	<p><i>Section 9-1-43(1), Mississippi Code Annotated (1972), states, “All such fees received by the office of Chancery or Circuit Clerks that are in excess of the salary limitation shall be deposited by such Clerk into the county general fund on or before April 15 for the preceding calendar year.”</i></p> <p><i>Section 9-1-45(1), Mississippi Code Annotated (1972), states, “Each Chancery and Circuit Clerk shall file, not later than April 15 of each year, with the State Auditor of Public Accounts a true and accurate annual report on a form to be designed and supplied to each Clerk by the State Auditor of Public Accounts immediately after January 1 of each year. The form shall include the following information: (a) revenues subject to the salary cap, including fees; (b) revenues not subject to the salary cap; and (c) expenses of office, including any salary paid to a Clerk’s spouse or children. Each Chancery and Circuit Clerk shall provide any additional information requested by the Public Employees’ Retirement System for the purpose of retirement calculations.”</i></p>

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

<b>Condition</b>	The Circuit Clerk did not deposit excess funds into the general Fund until June 6, 2022.
<b>Cause</b>	The Circuit Clerk did not timely deposit excess funds into the general fund until after the statutory deadline.
<b>Effect</b>	Failure to file an Annual Financial Report could result in a civil court proceeding and possible civil penalty in an amount not to exceed Five Thousand Dollars (\$5,000). Additionally, failure to deposit any amount in excess of the salary limitation into the county general fund could result in misappropriation and/or loss of public funds.
<b>Recommendation</b>	The Circuit Clerk should ensure that the amount in excess of the salary limitation is deposited into the county general fund by April 15 <sup>th</sup> .
<b>Response</b>	I will comply.

#### **Chancery Clerk**

**4.** Chancery Clerk Should Ensure Compliance with State Law over Depositing Excess into the County General Fund.

**Repeat Finding** No.

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

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

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

<b>Condition</b>	The Chancery Clerk did not deposit excess funds into the general fund until June 6, 2022.
<b>Cause</b>	The Chancery Clerk did not timely deposit excess funds into the general fund until after the statutory deadline.
<b>Effect</b>	Failure to file an Annual Financial Report could result in a civil court proceeding and possible civil penalty in an amount not to exceed Five Thousand Dollars (\$5,000). Additionally, failure to deposit any amount in excess of the salary limitation into the county general fund could result in misappropriation and/or loss of public funds.
<b>Recommendation</b>	The Chancery Clerk should ensure that the amount in excess of the salary limitation is deposited into the county general fund by April 15th.
<b>Response</b>	I shall comply in the future.

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

**Repeat Finding** No

**Criteria** *Section 25-7-9(1)(i), Mississippi Code Annotated (1972), states, "For public service not otherwise specifically provided for, the chancery court may by order allow the clerk to be paid by the county on the order of the board of supervisors, an annual sum not exceeding \$ 5,000.00."*

**Condition** During the course of our test work, we noted that the Chancery Clerk received a total of \$6,248.36 for public services not particularly provided for. This resulted in an excess of **\$1,248.36** paid to the Clerk.

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

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

**Recommendation** The Chancery Clerk should make sure to use the correct statutory amount for determining the amounts owed for public services not particularly provided for. Further, it is recommended that the Chancery Clerk repay the County the **\$1,248.36** paid in excess.

**Response** I have repaid the county \$1,248.36 on Friday, December 16, 2022. Check number 8106 drawn out of my personal banking account.

**Solid Waste Clerk**

6. The Solid Waste Clerk has inadequate controls over collections.

**Repeat Finding** No.

**Criteria** A properly designed and implemented system of internal controls should require that all those employees performing collection duties for an entity or department use a cash drawer. Furthermore, the entity should seed the drawer with an appropriate amount of cash to make change.

**Condition** During the course of our testing, we noted that there is no established cash drawer and no officially set amount of money for use to make change when necessary for collections.

**Cause** The entity or department has not established adequate controls over the cash collection process.

<b>Effect</b>	Inadequate controls surrounding revenue collections could result in loss or misappropriation of assets and improper revenue recognition.
<b>Recommendation</b>	The Solid Waste Clerk should implement an effective system of internal controls over the revenue collection process including the establishment of cash drawers for use by the clerk.
<b>Response</b>	The Quitman County Board of Supervisors approved Solid Waste to Establish a petty cash drawer, as of October 17, 2022.

## Road Manager

<b>7.</b>	<u>The Road Manager Should Approve All Requisitions for the County Road Department.</u>
<b>Repeat Finding</b>	No.
<b>Criteria</b>	<i>Section 65-17-1(2), Mississippi Code Annotated (1972), states, "All requisitions for the purchase and repair of all equipment, heavy equipment, machinery, supplies, commodities, materials and services for the county road department shall be prepared by the county road manager and submitted to the county department of purchasing for processing in accordance with the central purchasing system."</i>
<b>Condition</b>	During the course of our test work, we noted the following instances of non-compliance: <ul style="list-style-type: none"> <li>• Three (3) instances where the Purchase Requisition for the Road Department was signed by someone other than the Road Manager</li> </ul>
<b>Cause</b>	The Road Manager is not signing the purchase requisitions for the Road Department.
<b>Effect</b>	The County is not in compliance with State law, and this may result in the misappropriation of public funds.
<b>Recommendation</b>	The Road Manager should verify that he or she signs all purchase requisitions for the road department.
<b>Response</b>	The Quitman County Road Manager will comply.

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

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

*Bridgers, Goodman, Baird & Clarke, PLLC*

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

January 18, 2023

## **QUITMAN COUNTY**

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

**QUITMAN COUNTY**  
**Schedule of Findings and Responses**  
**For the Year Ended September 30, 2021**

Section 1: Summary of Auditor's Results

**Financial Statements:**

- |  |               |
|--|---------------|
| 1. Type of auditor's report issued on the financial statements | Unmodified    |
| 2. Internal control over financial reporting:                  |               |
| a. Material weaknesses identified?                             | No            |
| b. Significant deficiency identified?                          | None reported |
| 3. Noncompliance material to the financial statements?         | No            |

Section 2: Financial Statement Findings

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