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**GREENE COUNTY, MISSISSIPPI**

**Audited Financial Statements  
and Special Reports**

**For the Year Ended September 30, 2022**

**Greene County, Mississippi**  
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## INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors  
Greene County, Mississippi

### *Report on the Financial Statements*

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Greene County, Mississippi, (the County) as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

#### *Qualified Opinion on Governmental Activities*

In our opinion, except for the effects of the matter described in the Basis for Qualified and Unmodified Opinions section of our report, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Governmental Activities of Greene County, Mississippi, as of September 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Unmodified Opinions on the Major Fund and Aggregate Remaining Fund Information*

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the major fund and the aggregate remaining fund information of Greene County, Mississippi, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Qualified and Unmodified Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified opinions.

#### *Matter Giving Rise to Qualified Opinion on the Governmental Activities*

As discussed in Note 8 to the financial statements, the County did not maintain adequate subsidiary records documenting the existence, completeness and valuation of capital assets or records documenting the County's capital assets, including infrastructure, or records documenting depreciation on applicable assets in Governmental Activities. Accounting principles generally accepted in the United States of America require that adequate records must be maintained to document the existence, completeness, and valuation of capital assets including the County's capital assets, including infrastructure, and the depreciation on capital assets, be adequately documented. The amount by which this departure would affect the assets, net position, and expenses on the governmental activities is not reasonably determinable.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood, that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

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

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

Greene 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 an essential

part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Greene 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 Regulation* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the accompanying 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, the 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.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Schedule of Surety Bonds for County Officials but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2023, on our consideration of Greene 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 Greene 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 Greene County, Mississippi's internal control over financial reporting and compliance.



Stephen D. Myrick, C.P.A., L.L.C.  
Quitman, MS 39355  
December 28, 2023

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## **FINANCIAL STATEMENTS**

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**GREENE COUNTY, MISSISSIPPI**  
**Statement of Net Position**  
**September 30, 2022**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash	\$ 8,600,369	\$ -	\$ 8,600,369
Cash with fiscal agent	378,312	-	378,312
Accrued interest receivable	13,632	-	13,632
Property tax receivable	8,266,061	-	8,266,061
Accounts receivable (net of allowance for uncollectibles of \$716,415)	49,711	-	49,711
Fines receivable (net of allowance for uncollectibles of \$588,296)	263,246	-	263,246
Lease receivable	3,530,995	-	3,530,995
Intergovernmental receivables	1,934,005	-	1,934,005
Other receivables	3,066	-	3,066
Capital assets:			
Land and construction in progress	236,109	-	236,109
Other capital assets, net	54,850,421	-	54,850,421
Total Assets	<u>78,125,927</u>	<u>-</u>	<u>78,125,927</u>
<b>Deferred Outflows of Resources</b>			
Deferred outflows - pensions	632,305	-	632,305
Total Deferred Outflows of Resources	<u>632,305</u>	<u>-</u>	<u>632,305</u>
<b>Liabilities</b>			
Claims payable	773,816	-	773,816
Intergovernmental payable	573,263	-	573,263
Accrued interest payable	57,886	-	57,886
Unearned revenue	609,446	-	609,446
Long-term liabilities:			
Due within one year:			
Leases payable	45,270	-	45,270
Capital debt	1,399,712	-	1,399,712
Non-capital debt	1,866,422	-	1,866,422
Due in more than one year:			
Leases payable	81,186	-	81,186
Capital debt	4,962,442	-	4,962,442
Non-capital debt	109,870	-	109,870
Net pension liability	9,552,661	-	9,552,661
Total Liabilities	<u>20,031,974</u>	<u>-</u>	<u>20,031,974</u>
<b>Deferred Inflows of Resources</b>			
Deferred inflows - pensions	528,294	-	528,294
Deferred inflows - leases	3,420,202	-	3,420,202
Deferred revenues - property taxes	8,266,061	-	8,266,061
Total Deferred Inflows of Resources	<u>12,214,557</u>	<u>-</u>	<u>12,214,557</u>
<b>Net Position</b>			
Net investment in capital assets	48,724,376	-	48,724,376
Restricted for:			
Expendable:			
General government	3,763,183	-	3,763,183
Public safety	171,331	-	171,331
Public works	2,612,330	-	2,612,330
Health and welfare	495,550	-	495,550
Culture and recreation	133,495	-	133,495
Economic development and assistance	149,833	-	149,833
Debt service	300,976	-	300,976
Unrestricted	(9,839,373)	-	(9,839,373)
Total Net Position	<u>\$ 46,511,701</u>	<u>\$ -</u>	<u>\$ 46,511,701</u>

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

**GREENE COUNTY, MISSISSIPPI**  
**Statement of Activities**  
**For the Year Ended September 30, 2022**

<b>Functions/Programs</b>	<b>Program Revenues</b>				<b>Net (Expense) Revenue and Changes in Net Position</b>		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	<b>Primary Government</b>		
					Governmental Activities	Business-type Activities	Total
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 3,868,352	\$ 407,688	\$ 1,800,000	\$ 750,000	\$ (910,664)	\$ -	\$ (910,664)
Public safety	1,969,862	241,626	18,695	-	(1,709,541)	-	(1,709,541)
Public works	7,659,622	29,899	1,038,630	51,843	(6,539,250)	-	(6,539,250)
Health and welfare	386,312	-	-	-	(386,312)	-	(386,312)
Culture and recreation	153,578	-	-	-	(153,578)	-	(153,578)
Conservation of natural resources	150,641	-	-	-	(150,641)	-	(150,641)
Economic development and assistance	117,022	-	-	-	(117,022)	-	(117,022)
Interest on long-term debt	307,208	-	-	-	(307,208)	-	(307,208)
Pension expense	765,180	-	-	-	(765,180)	-	(765,180)
Total Governmental Activities	15,377,777	679,213	2,857,325	801,843	(11,039,396)	-	(11,039,396)
<b>Business-type activities:</b>							
Solid waste	-	-	-	-	-	-	-
Total Business-type Activities	-	-	-	-	-	-	-
Total Primary Government	\$ 15,377,777	\$ 679,213	\$ 2,857,325	\$ 801,843	\$ (11,039,396)	\$ -	\$ (11,039,396)
<b>General revenues:</b>							
Property taxes					9,059,638	-	9,059,638
Road & bridge privilege taxes					147,080	-	147,080
Grants and contributions not restricted to specific programs					1,211,861	-	1,211,861
Unrestricted interest income					205,284	-	205,284
Miscellaneous					951,733	-	951,733
Total General Revenues					11,575,596	-	11,575,596
Changes in Net Position					536,200	-	536,200
<b>Net Position - Beginning, as previously reported</b>					42,578,877	(382,483)	42,196,394
Fund reclassification					(382,483)	382,483	-
Prior period adjustments					3,779,107	-	3,779,107
<b>Net Position - Beginning, as restated</b>					45,975,501	-	45,975,501
<b>Net Position - Ending</b>					\$ 46,511,701	\$ -	\$ 46,511,701

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

**GREENE COUNTY, MISSISSIPPI**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2022**

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>Assets</b>			
Cash	\$ 1,984,945	\$ 6,615,424	\$ 8,600,369
Cash with fiscal agent	-	378,312	378,312
Accrued interest receivable	13,632	-	13,632
Property tax receivable	4,148,474	4,117,587	8,266,061
Accounts receivable (net of allowance for uncollectibles of \$716,415)	-	49,711	49,711
Fines receivable (net of allowance for uncollectibles of \$588,296)	263,246	-	263,246
Lease receivable	3,530,995	-	3,530,995
Intergovernmental receivables	121,240	1,812,765	1,934,005
Other receivables	3,066	-	3,066
Due from other funds	28,092	67,588	95,680
Total Assets	<u>\$ 10,093,690</u>	<u>\$ 13,041,387</u>	<u>\$ 23,135,077</u>
<b>Liabilities</b>			
Claims payable	\$ 275,022	\$ 498,794	\$ 773,816
Intergovernmental payable	499,157	-	499,157
Due to other funds	88,522	45,133	133,655
Advances from other funds	-	36,131	36,131
Unearned revenue	-	609,446	609,446
Total Liabilities	<u>862,701</u>	<u>1,189,504</u>	<u>2,052,205</u>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue - property taxes	4,148,474	4,117,587	8,266,061
Unavailable revenue - accounts receivable	-	49,711	49,711
Unavailable revenue - fines	263,246	-	263,246
Unavailable revenue - leases	3,420,202	-	3,420,202
Total Deferred Inflows of Resources	<u>7,831,922</u>	<u>4,167,298</u>	<u>11,999,220</u>
<b>Fund Balances</b>			
<b>Restricted for:</b>			
General government	-	3,763,183	3,763,183
Public safety	-	171,331	171,331
Public works	-	2,612,331	2,612,331
Health and welfare	-	495,550	495,550
Culture and recreation	-	133,495	133,495
Economic development and assistance	-	149,833	149,833
Debt service	-	358,862	358,862
<b>Unassigned</b>	<u>1,399,067</u>	<u>-</u>	<u>1,399,067</u>
Total Fund Balances	<u>1,399,067</u>	<u>7,684,585</u>	<u>9,083,652</u>
Total Liabilities, Deferred Inflows and Fund Balances	<u>\$ 10,093,690</u>	<u>\$ 13,041,387</u>	<u>\$ 23,135,077</u>

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

**GREENE COUNTY, MISSISSIPPI**  
**Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**  
**September 30, 2022**

<b>Total Fund Balance - Governmental Funds</b>	\$	9,083,652
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 \$110,974,438.		54,968,699
Intangible assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated amortization of \$81,779.		117,831
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the funds.		
Accounts receivable, net		49,711
Fines receivable, net		263,246
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Limited obligation bonds		(2,890,000)
Notes payable		(5,381,978)
Lease obligations payable		(126,456)
Compensated absences		(109,870)
Unamortized discounts		43,402
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.		(9,552,661)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.		(57,886)
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		632,305
Deferred inflows of resources related to pensions		(528,294)
<b>Total Net Position - Governmental Activities</b>	<b>\$</b>	<b>46,511,701</b>

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

**GREENE COUNTY, MISSISSIPPI**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2022**

	<u>Major Fund</u> <u>General</u> <u>Fund</u>	<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>Revenues</b>			
Property taxes	\$ 4,288,312	\$ 4,771,326	\$ 9,059,638
Road and bridge privilege taxes	-	147,080	147,080
Licenses, commissions, and other revenue	129,091	4,550	133,641
Fines and forfeitures	267,513	24,627	292,140
Intergovernmental revenues	164,724	4,706,305	4,871,029
Charges for services	82,400	306,194	388,594
Interest income	202,610	2,674	205,284
Miscellaneous revenues	876,043	59,563	935,606
Total Revenues	<u>6,010,693</u>	<u>10,022,319</u>	<u>16,033,012</u>
<b>Expenditures</b>			
<b>Current:</b>			
General government	3,806,870	-	3,806,870
Public safety	1,305,724	757,898	2,063,622
Public works	261,114	7,824,667	8,085,781
Health and welfare	598,135	-	598,135
Culture and recreation	90,609	55,569	146,178
Conservation of natural resources	162,136	-	162,136
Economic development	-	117,022	117,022
<b>Debt service:</b>			
Principal	138,200	1,812,808	1,951,008
Interest	55,318	250,819	306,137
Total Expenditures	<u>6,418,106</u>	<u>10,818,783</u>	<u>17,236,889</u>
Excess of Revenues over (under) Expenditures	<u>(407,413)</u>	<u>(796,464)</u>	<u>(1,203,877)</u>
<b>Other Financing Sources (Uses)</b>			
Long-term capital debt issued	-	1,559,870	1,559,870
Leases issued	19,346	-	19,346
Proceeds from sale of capital assets	13,784	147,596	161,380
Compensation for loss of capital assets	10,275	69,688	79,963
Transfers in	30,000	943,312	973,312
Transfers out	(872,986)	(102,426)	(975,412)
Total Other Financing Sources and Uses	<u>(799,581)</u>	<u>2,618,040</u>	<u>1,818,459</u>
Net Changes in Fund Balances	<u>(1,206,994)</u>	<u>1,821,576</u>	<u>614,582</u>
<b>Fund Balances - Beginning, as previously reported</b>	2,606,061	5,941,854	8,547,915
<b>Fund reclassification</b>	-	(78,845)	(78,845)
<b>Fund Balances - Beginning, as restated</b>	<u>2,606,061</u>	<u>5,863,009</u>	<u>8,469,070</u>
<b>Fund Balances - Ending</b>	<u>\$ 1,399,067</u>	<u>\$ 7,684,585</u>	<u>\$ 9,083,652</u>

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

**GREENE COUNTY, MISSISSIPPI**  
**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, 2022**

<b>Net Changes in Fund Balances - Governmental Funds</b>	<b>\$ 614,582</b>
 Amounts reported for governmental activities in the Statement of Activities are different because:	
 Governmental funds report capital outlays and lease payments as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as either depreciation or amortization expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlays of \$1,966,034 and intangible asset additions of \$19,346 exceeded depreciation of \$1,505,811 and amortization of \$45,726 in the current period.	
	433,843
 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 gain of \$45,556 and the proceeds from the sale of \$161,380 in the current period.	
	(115,824)
 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.	
	20,928
 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.	
	(156,090)
 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 and lease payments are expenditures 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 \$1,906,351 and lease payments of \$44,657 exceeded debt proceeds of \$1,559,870 and lease proceeds of \$19,346.	
	371,792
 Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Decrease in accrued interest payable	3,752
Amortization of bond discount	(4,823)
Increase in compensated absences payable	(23,358)
 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	(765,180)
Recording of contributions made during the year	156,578
	536,200
<b>Change in Net Position of Governmental Activities</b>	<b>\$ 536,200</b>

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

**GREENE COUNTY, MISSISSIPPI**  
**Statement of Net Position**  
**Proprietary Fund**  
**September 30, 2022**

	<b>Business-type Activities Enterprise Fund Solid Waste Fund</b>
<b>Assets</b>	
Current assets:	\$ -
Total Current Assets	-
Noncurrent assets:	-
Total Noncurrent Assets	-
Total Assets	-
<b>Deferred Outflows of Resources</b>	
Total Deferred Outflows of Resources	-
<b>Liabilities</b>	
Current liabilities:	-
Total Current Liabilities	-
Noncurrent liabilities:	-
Total Noncurrent Liabilities	-
Total Liabilities	-
<b>Deferred Inflows of Resources</b>	-
Total Deferred Inflows of Resources	-
<b>Net Position</b>	-
Total Net Position	\$ -

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

**GREENE COUNTY, MISSISSIPPI**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Fund**  
**For the Year Ended September 30, 2022**

	<b>Business-type                      Activities -                      Enterprise Fund                      Solid Waste                      Fund</b>
<b>Operating Revenues</b>	<u>\$ -</u>
Total Operating Revenues	<u>-</u>
<b>Operating Expenses</b>	<u>-</u>
Total Operating Expenses	<u>-</u>
Operating Income (Loss)	<u>-</u>
<b>Nonoperating Revenues (Expenses)</b>	<u>-</u>
Net Nonoperating Revenues (Expenses)	<u>-</u>
Net Income (Loss) Before Transfers	<u>-</u>
Changes in Net Position	-
<b>Net Position - Beginning, as previously reported</b>	(382,483)
<b>Fund reclassification</b>	382,483
<b>Net Position - Beginning, as restated</b>	<u>-</u>
<b>Net Position - Ending</b>	<u>\$ -</u>

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

**GREENE COUNTY, MISSISSIPPI**  
**Statement of Fiduciary Net Position**  
**September 30, 2022**

	Custodial Funds
<b>Assets</b>	
Cash and investments	\$ 264,028
Receivables:	
Due from other funds	37,975
Advances to other funds	36,131
Total Assets	\$ 338,134
<b>Liabilities</b>	
Intergovernmental payables	\$ 71,560
Total Liabilities	71,560
<b>Net Position</b>	
Restricted for:	
Individuals, organizations and other governments	266,574
Total Net Position	266,574
Total Liabilities and Net Position	\$ 338,134

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

**GREENE COUNTY, MISSISSIPPI**  
**Statement of Changes in Fiduciary Net Position**  
**For the Year Ended September 30, 2022**

	Custodial Funds
<b>Additions</b>	
Tax collections for other governments	\$ 824,175
Investment income:	
Interest and dividends	49
Transfers in	2,100
Total Additions	826,324
<b>Deductions</b>	
Payments of tax to other governments	882,866
Total Deductions	882,866
Net Increase (Decrease) in Fiduciary Net Position	(56,542)
<b>Net Position - Beginning</b>	323,116
<b>Net Position - Ending</b>	\$ 266,574

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

## GREENE COUNTY, MISSISSIPPI

### Notes to the Financial Statements For the Year Ended September 30, 2022

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

##### A. Financial Reporting Entity.

Greene 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 the 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's 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 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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues.

The Statement of Net Position presents the financial condition of the governmental activities and business-type 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 and business-type 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 business-type activity or 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/expenses. Funds are organized into governmental, proprietary and fiduciary, even though the latter are excluded from the government-wide financial statements. Major individual Governmental Funds and major individual Enterprise 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.

## GREENE COUNTY, MISSISSIPPI

### Notes to the Financial Statements For the Year Ended September 30, 2022

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

The Government-wide, Proprietary Funds 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.

The revenues and expenses of Proprietary Funds are classified as operating or nonoperating. Operating revenues and expenses generally result from providing services in connection with a Proprietary Fund's primary operations. All other revenues and expenses are reported as nonoperating.

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.

The County reports the following major Enterprise Fund:

Solid Waste Fund - This fund was used in prior years to account for the County's activities of disposal of solid waste within the County.

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.

#### PROPRIETARY FUND TYPE

Enterprise Funds - These funds are used to account for those operations that are financed and operated in a manner similar to private business enterprises or where the County has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability.

## GREENE COUNTY, MISSISSIPPI

### Notes to the Financial Statements For the Year Ended September 30, 2022

#### FIDUCIARY FUND TYPE

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

#### **D. Account Classifications.**

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

#### **E. Deposits and Investments.**

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

Cash includes cash on hand, demand deposits, 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.

#### **F. Receivables.**

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

#### **G. Interfund Transactions and Balances.**

Transactions between funds that are representative of short-term lending/borrowing arrangements and transactions that have not resulted in the actual transfer of cash at the end of the fiscal year are referred to as "due to/from other funds." Noncurrent portions of interfund receivables and payables are reported as "advances to/from other funds." Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in the General Fund, if applicable, to indicate that they are not available for appropriation and are not expendable available financial resources. However, this is not applicable to advances reported in other governmental funds, which are reported, by definition, as restricted, committed, or assigned. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position. Any outstanding balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

#### **H. Restricted Assets.**

Governmental Fund assets required to be held and/or used as specified in bond indentures, bond resolutions, trustee agreements, board resolutions, and donor specifications have been reported as restricted assets. Certain proceeds of the County's governmental fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants. The "debt service reserve" account is used to report resources set aside to subsidize potential deficiencies from the County's operation that could adversely affect debt service payments. When both restricted and nonrestricted assets are available for use, the policy is to use the restricted assets first.

#### **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 or business-type activities column in the government-wide financial statements. The County did not maintain adequate subsidiary records

**GREENE COUNTY, MISSISSIPPI**

**Notes to the Financial Statements  
For the Year Ended September 30, 2022**

documenting the existence, completeness, and valuation of capital assets or the County’s infrastructure or records documenting depreciation on applicable assets. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital assets, other than infrastructure, 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. Greene County, Mississippi 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.

Capital assets acquired or constructed for Proprietary Fund operations are capitalized at cost in the respective funds in which they are utilized. No interest is capitalized on self-constructed assets because noncapitalization of interest does not have a material effect on the County's financial statements. Donated capital assets are recorded at their fair value at the time of donation.

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 and Proprietary Funds. 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	\$ -	N/A
Infrastructure	-	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
Intangible assets	**	**

\*\* Intangible assets for the County represent right-to-use leased assets and are capitalized as a group for reporting purposes. The estimated useful life is the term of the lease agreement. There is no mandated amortization period. Intangible assets with indefinite useful lives should not be amortized.

The term “depreciation” includes the amortization of intangible assets.

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

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

Deferred outflows related to pensions – This amount represents the County’s proportionate share of the deferred outflows of resources reported by the pension plan in which the County participates. See Note 12 for additional details.

## GREENE COUNTY, MISSISSIPPI

### Notes to the Financial Statements For the Year Ended September 30, 2022

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

Deferred revenues – property taxes/unavailable revenue – property taxes – Deferred inflows of resources should be reported when resources associated with imposed 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 County’s proportionate share of the deferred inflows of resources reported by the pension plan in which the County participates. See Note 12 for additional details.

Deferred inflows related to leases/unavailable revenue - leases – Deferred inflows of resources measured at the initial value of the lease receivable to reflect that the receivable relates to future periods.

#### **K. Leases.**

The Governmental Accounting Standards Board (GASB) issued Statement No. 87, Leases (GASB 87), to establish a single leasing model for accounting and reporting purposes. This guidance is intended to enhance the accountability, consistency and comparability of lease activities reported by governments. GASB 87 was implemented during fiscal year 2022.

The County uses the average annual borrowing rate to calculate the present value of lease payments when the rate implicit in the lease is not known.

#### **L. Long-term Liabilities.**

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

In the government-wide and the Proprietary Fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or Proprietary Funds 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, the face amount of the debt issued is reported as other financing sources.

#### **M. 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.

**GREENE COUNTY, MISSISSIPPI**

**Notes to the Financial Statements  
For the Year Ended September 30, 2022**

**N. Compensated Absences.**

The County has adopted a policy of compensation for accumulated unpaid employee personal leave. No payment is authorized for accrued major medical leave. Accounting principles generally accepted in the United States of America require accrual of accumulated unpaid employee benefits as long-term liabilities in the government-wide financial statements and Proprietary Funds 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.

**O. Equity Classifications.**

Government-wide Financial Statements:

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

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

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

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

Net Position Flow Assumption:

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

Fund Financial Statements:

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

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

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

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

## GREENE COUNTY, MISSISSIPPI

### Notes to the Financial Statements For the Year Ended September 30, 2022

#### Fund Balance Flow Assumption:

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

#### **P. Property Tax Revenues.**

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

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

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

#### **Q. 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.

#### **R. Changes in Accounting Standards.**

GASB 87, *Leases*, was implemented during fiscal year 2022. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. It established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This guidance is intended to enhance the accountability, consistency and comparability of lease activities reported by governments.

#### **(2) Fund Reclassification.**

In the summer of 2021, the Board of Supervisors voted to suspend collections of user fees from individual taxpayers and begin funding solid waste operations through a separate ad valorem tax levy effective October 1, 2021. As a result of the board's decision, the Solid Waste Fund's beginning fund balance of (\$78,845) and beginning net position of (\$382,483) were reclassified from Enterprise Funds to Governmental Funds effective October 1, 2021, because it became the objective to account for solid waste disposal operations in a manner similar to governmental financial statements which use the current financial resources measurement focus and the modified accrual basis of accounting.

**GREENE COUNTY, MISSISSIPPI**

**Notes to the Financial Statements  
For the Year Ended September 30, 2022**

**(3) Prior Period Adjustment.**

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

Exhibit 2 - Statement of Activities.

<u>Explanation</u>	<u>Amount</u>
Governmental Activities:	
To correct prior years' errors in recording capital assets.	\$ 3,634,896
To record intangible assets due to implementation of GASB 87	144,211
Total prior period adjustments - Governmental Activities	<u>\$ 3,779,107</u>

**(4) Deposits and Cash with Fiscal Agents.**

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2022, was \$8,864,397, and the bank balance was \$9,169,079. 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.

Cash with Fiscal Agents:

The carrying amount of the County's cash with fiscal agents held by financial institutions was \$378,312.

**(5) Interfund Transactions and Balances.**

The following is a summary of interfund balances at September 30, 2022:

**A. Due From/To Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 28,092
Other Governmental Funds	General Fund	67,588
Custodial Funds	General Fund	20,934
Custodial Funds	Other Governmental Funds	17,041
Total		<u>\$ 133,655</u>

The receivable to the general fund represents the elimination of a negative cash balance due to the timing of reimbursement. The receivables to the other governmental funds represent the tax revenue collected in September 2022, but not settled until October 2022. The receivable to the custodial funds represents an error by the County in sharing additional privilege tax with the local school district. All interfund balances are expected to be repaid within one year from the date of the financial statements.

**GREENE COUNTY, MISSISSIPPI**

**Notes to the Financial Statements  
For the Year Ended September 30, 2022**

**B. Advances To/From Other Funds:**

Receivable Fund	Payable Fund	Amount
Custodial Funds	Other Governmental Funds	\$ 36,131
Total		\$ 36,131

The interfund advances balances consist of errors in posting revenue from previous years.

**C. Transfers In/Out:**

Transfers In	Transfers Out	Amount
General Fund	Other Governmental Funds	\$ 30,000
Other Governmental Funds	General Fund	870,886
Other Governmental Funds	Other Governmental Funds	72,426
Custodial Funds	General Fund	2,100
Total		\$ 975,412

The principal purpose of interfund transfers was to provide operating revenue. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

**(6) Intergovernmental Receivables.**

Intergovernmental receivables at September 30, 2022, consisted of the following:

Description	Amount
<b>Governmental Activities:</b>	
General Fund:	
Legislative tax credit	\$ 106,223
PERS	4,457
Inmate housing	10,560
Other Governmental Funds:	
Grant reimbursement	1,797,600
911 service fees	15,165
Total Governmental Activities	\$ 1,934,005

**(7) Restricted Assets.**

Restricted assets are presented as cash with fiscal agents on the financial statements. The balances of the restricted asset accounts in the governmental funds are as follows:

Debt Service Reserve	\$ 378,130
General Account	182
Total Restricted Assets	\$ 378,312

**GREENE COUNTY, MISSISSIPPI**

**Notes to the Financial Statements  
For the Year Ended September 30, 2022**

**(8) Capital Assets.**

The following is a summary of capital assets activity for the year ended September 30, 2022:

**Governmental Activities:**

	Balance Oct. 1, 2021	Additions	Deletions	Reclassification**	Adjustments *	Balance Sept. 30, 2022
<u>Non-depreciable Capital Assets:</u>						
Land	\$ 203,888	\$ -	\$ -	\$ 6,040	\$ -	\$ 209,928
Construction in Progress	-	26,181	-	-	-	26,181
Total Non-depreciable Capital Assets	<u>203,888</u>	<u>26,181</u>	<u>-</u>	<u>6,040</u>	<u>-</u>	<u>236,109</u>
<u>Depreciable Capital Assets:</u>						
Infrastructure	143,172,518	-	-	-	16,080	143,188,598
Buildings	7,216,698	-	125,000	206,000	4,550,000	11,847,698
Improvements other than buildings	-	255,700	-	-	-	255,700
Mobile Equipment	4,384,951	1,521,818	414,298	41,042	3,715,622	9,249,135
Furniture & Equipment	994,188	162,335	81,337	45,000	45,711	1,165,897
Leased Property under Capital Lease	3,166,873	-	24,932	228,198	(3,370,139)	-
Total Depreciable Capital Assets	<u>158,935,228</u>	<u>1,939,853</u>	<u>645,567</u>	<u>520,240</u>	<u>4,957,274</u>	<u>165,707,028</u>
<u>Less Accumulated Depreciation for:</u>						
Infrastructure	99,009,180	362,004	-	-	324	99,371,508
Buildings	4,533,994	184,719	123,750	164,800	910,000	5,669,763
Improvements other than buildings	-	10,228	-	-	-	10,228
Mobile Equipment	3,370,580	879,157	308,107	39,062	891,954	4,872,646
Furniture & Equipment	892,555	69,703	73,203	40,500	120,738	1,050,293
Leased Property under Capital Lease	543,167	-	24,683	82,154	(600,638)	-
Total Accumulated Depreciation	<u>108,349,476</u>	<u>1,505,811</u>	<u>529,743</u>	<u>326,516</u>	<u>1,322,378</u>	<u>110,974,438</u>
Depreciable Capital Assets, Net	<u>50,585,752</u>	<u>434,042</u>	<u>115,824</u>	<u>193,724</u>	<u>3,634,896</u>	<u>54,732,590</u>
Governmental Activities Capital Assets, Net	<u>\$ 50,789,640</u>	<u>\$ 460,223</u>	<u>\$ 115,824</u>	<u>\$ 199,764</u>	<u>\$ 3,634,896</u>	<u>\$ 54,968,699</u>
Total Depreciable Capital Assets, Net						\$ 54,732,590
Lease Assets, Net (Note 9)						117,831
Other Capital Assets, Net as reported in the Statement of Net Position						<u>\$ 54,850,421</u>

**Business-type Activities:**

	Balance Oct. 1, 2021	Additions	Deletions	Reclassification	Balance Sept. 30, 2022
<u>Non-depreciable Capital Assets:</u>					
Land	\$ 6,040	\$ -	\$ -	\$ (6,040)	\$ -
Total Non-depreciable Capital Assets	<u>6,040</u>	<u>-</u>	<u>-</u>	<u>(6,040)</u>	<u>-</u>
<u>Depreciable Capital Assets:</u>					
Buildings	206,000	-	-	(206,000)	-
Mobile Equipment	41,042	-	-	(41,042)	-
Furniture & Equipment	45,000	-	-	(45,000)	-
Leased Property under Capital Lease	228,198	-	-	(228,198)	-
Total Depreciable Capital Assets	<u>520,240</u>	<u>-</u>	<u>-</u>	<u>(520,240)</u>	<u>-</u>
<u>Less Accumulated Depreciation for:</u>					
Buildings	164,800	-	-	(164,800)	-
Mobile Equipment	39,062	-	-	(39,062)	-
Furniture & Equipment	40,500	-	-	(40,500)	-
Leased Property under Capital Lease	82,154	-	-	(82,154)	-
Total Accumulated Depreciation	<u>326,516</u>	<u>-</u>	<u>-</u>	<u>(326,516)</u>	<u>-</u>
Depreciable Capital Assets, Net	<u>193,724</u>	<u>-</u>	<u>-</u>	<u>(193,724)</u>	<u>-</u>
Business-type Activities Capital Assets, Net	<u>\$ 199,764</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (199,764)</u>	<u>\$ -</u>

\* The adjustment column represents efforts by the county to correct fixed asset balances.

\*\* The reclassification column represents the moving of assets previously reported as business-type activities. See Note 2 for additional information.

**GREENE COUNTY, MISSISSIPPI**

**Notes to the Financial Statements  
For the Year Ended September 30, 2022**

Depreciation expense was charged to the following functions:

**Governmental Activities:**

General Government	\$ 106,764
Public Safety	82,775
Public Works	1,191,062
Health & Welfare	109,959
Culture and Recreation	15,251
Total Depreciation Expense - Governmental Activities	<u>\$ 1,505,811</u>

Commitments with respect to unfinished capital projects at September 30, 2022, consisted of the following:

<u>Description of Commitment</u>	<u>Remaining Financial Commitment</u>	<u>Expected Date of Completion</u>
SAP 21 82	\$ 1,823,130	Unknown
LSBP 21 13	864,131	Unknown
SAP 21 83	895,772	Unknown

**(9) Intangible Leases.**

The County is a lessee for various non-cancellable leases of building, equipment, etc. For leases that have a maximum possible term of 12 months or less at commencement, the County recognizes expense based on the provisions of the lease contract. For all other leases, other than short-term, the County recognized a lease and an intangible right-to-use lease asset.

At lease commencement, the County initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or before the lease commencement date. Subsequently, the lease asset is amortized in amortization expense on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The County generally uses its average annual borrowing rate as the discount rate for leases unless the rate that the lessor charges is known.

The lease term includes the non-cancellable period of the lease plus any additional periods covered by either a county or lessor option to extend for which it is reasonably certain to be exercised or terminate for which it is reasonably certain to not be exercised. Periods in which both the County and the lessor have a unilateral option to terminate (or if both parties have agreed to extend) are excluded from the lease term.

As Lessee:

**44 Computer Stations:**

The County has entered into a non-cancellable 48-month lease agreement for computer stations through DeLage Landen Financial for a monthly charge of \$3,200. The lease will automatically renew for 60-day increments at the end of the lease term if the County chooses to not return the equipment at the end of the lease term.

<u>Description</u>	<u>Discount Rate</u>	<u>Term</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Monthly Payment</u>	<u>Amount Outstanding</u>
44 computer stations	2.51%	48 months	9/1/2021	10/1/2025	\$ 3,200	\$ 110,858

**GREENE COUNTY, MISSISSIPPI**

**Notes to the Financial Statements  
For the Year Ended September 30, 2022**

Modular Building – Extension Office:

The County has entered into a non-cancellable 24-month lease agreement for a modular building through Williams Scotsman, Inc for a monthly charge of \$806. The lease will automatically renew on a month-to-month basis until the building has been returned to the lessor after the initial 24-month period.

Description	Discount Rate	Term	Issue Date	Maturity Date	Monthly Payment	Amount Outstanding
Modular building - extension office	3.79%	24 months	4/21/2022	5/17/2024	\$ 806	\$ 15,598

The following is a schedule by years of the total payments due as of September 30, 2022:

Year Ending Sept. 30,	Principal	Interest	Total
2023	\$ 45,270	\$ 2,802	\$ 48,072
2024	43,303	1,546	44,849
2025	37,883	517	38,400
Total	<u>\$ 126,456</u>	<u>\$ 4,865</u>	<u>\$ 131,321</u>

Lease Assets:

A summary of lease asset activity during the year ended September 30, 2022 is as follows:

	Balance Oct. 1, 2021	Additions	Deductions	Adjustments	Balance Sept. 30, 2022
Lease assets:					
Buildings	\$ -	\$ 19,346	\$ -	\$ -	\$ 19,346
Furniture and equipment	-	-	-	180,264	180,264
Total lease assets	<u>-</u>	<u>19,346</u>	<u>-</u>	<u>180,264</u>	<u>199,610</u>
Less accumulated amortization:					
Lease assets:					
Buildings	-	9,673	-	-	9,673
Furniture and equipment	-	36,053	-	36,053	72,106
Total accumulated amortization	<u>-</u>	<u>45,726</u>	<u>-</u>	<u>36,053</u>	<u>81,779</u>
Total lease assets, net	<u>\$ -</u>	<u>\$ (26,380)</u>	<u>\$ -</u>	<u>\$ 144,211</u>	<u>\$ 117,831</u>

Amortization expense was charged to the following functions:

**Governmental Activities:**

General Government	\$ 45,726
Total Amortization Expense - Governmental Activities	<u>\$ 45,726</u>

Lease Liabilities:

A summary of lease liabilities activity during the year ended September 30, 2022 is as follows:

	Balance Oct. 1, 2021	Additions	Deductions	Adjustments	Balance Sept. 30, 2022	Amounts due within one year
Lease obligations payable	\$ -	\$ 19,346	\$ 44,657	\$ 151,767	\$ 126,456	\$ 45,270
Total	<u>\$ -</u>	<u>\$ 19,346</u>	<u>\$ 44,657</u>	<u>\$ 151,767</u>	<u>\$ 126,456</u>	<u>\$ 45,270</u>

**GREENE COUNTY, MISSISSIPPI**

**Notes to the Financial Statements  
For the Year Ended September 30, 2022**

As Lessor:

On January 1, 2008, Greene County entered into a lease agreement with the George Regional Health System for the lease of a free-standing hospital building owned by the County for the purpose of operating the health care facility, including but not limited to, a hospital, twenty-four hour emergency department and a nursing home. The lease stipulated that the lessee would pay approximately \$58,413 per month in lease payments commencing January 1, 2008, for a term of 20 years. The County is to receive \$700,956 in rent annually with an implicit interest rate of 4.86%.

On May 7, 2018, Greene County entered into a lease agreement with the George Regional Health System for the lease of a free-standing laundry building owned by the County for the purpose of operating a laundry facility for the hospital with an effective date of February 20, 2014. The lease stipulated that the lessee would pay approximately \$2,567 per month in lease payments commencing February 20, 2014, for a term of 10 years. The County is to receive \$30,804 in rent annually with an implicit interest rate of 4.86%.

Remaining amounts to be received associated with these leases are as follows:

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 616,572	\$ 157,983
2024	636,761	127,391
2025	657,572	96,178
2026	695,357	63,393
2027	735,021	28,730
2028 - 2032	189,712	1,538
Total	<u>\$ 3,530,995</u>	<u>\$ 475,213</u>

**(10) 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, 2022, to January 1, 2023. The pool may make an overall supplemental assessment or declare a refund depending on the loss experience of all the entities it insures.

**(11) Long-term Debt.**

Debt outstanding as of September 30, 2022, consisted of the following:

<u>Description and Purpose</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>
--------------------------------	-------------------------------	--------------------------	------------------------------------

**Governmental Activities:**

A. Limited Obligation Bonds:

Taxable Special Obligation Bonds, Construction of Hospital 2011 Bond	<u>\$2,890,000</u>	4.86%	11/2031
Total Limited Obligation Bonds	<u>\$2,890,000</u>		

**GREENE COUNTY, MISSISSIPPI**

**Notes to the Financial Statements  
For the Year Ended September 30, 2022**

<u>Description and Purpose</u>	<u>Amount Outstanding</u>	<u>Interest Rate</u>	<u>Final Maturity Date</u>
<b>B. Financed Purchases:</b>			
John Deere 6105E Cab Tractor	\$ 41,883	2.20%	03/2023
John Deere 6105E Cab Tractor	41,941	2.20%	03/2023
John Deere 6105E Cab Tractor	41,783	2.20%	03/2023
John Deere 6105E Cab Tractor	41,783	2.20%	03/2023
2019 Mack Dump Truck	100,526	4.11%	04/2023
Dump Truck	29,923	3.59%	05/2023
Rhino Cutter	7,258	2.40%	04/2023
Rhino Cutter	7,258	2.40%	04/2023
Caterpillar 309-07 CR Excavator	119,665	3.85%	03/2025
Caterpillar 12M3 Motorgrader	211,713	3.35%	05/2025
2019 Caterpillar 12M3 Motorgrader	225,116	3.35%	09/2025
2019 CAT 430-07 Backhoe Loader	92,836	2.99%	01/2026
CAT 430 Backhoe	101,136	2.99%	01/2026
John Deere 524 Wheel Loader	137,584	2.25%	05/2026
John Deere 450K Dozier	107,409	2.25%	06/2026
2021 CAT 140-15 Grader	243,800	2.99%	07/2026
2021 CAT 140-15 Grader	246,078	2.99%	07/2026
2021 Dodge Ram 5500 Chasis Cab	33,568	2.40%	12/2025
2022 Caterpillar Grader	271,678	3.48%	03/2027
2022 Caterpillar Excavator	142,467	3.09%	08/2027
2022 Kubota Tractor	52,231	3.75%	06/2027
2022 Caterpillar Grader	313,905	4.91%	08/2027
JD 410L Backhoe	131,661	3.09%	08/2026
2020 Dumptruck refi	100,018	4.29%	09/2026
2020 Mack Dumptruck Refi	100,018	4.29%	09/2026
D1 2020 Mack Dumptruck REFI	100,018	4.29%	09/2026
2023 Kenworth Dumptruck	240,000	4.25%	10/2025
Broce BW260 Self Propelled Broom	34,065	3.84%	03/2023
2020 Mack GR64B Waste Truck	135,351	4.07%	12/2022
Total Financed Purchases	<u>\$ 3,452,672</u>		
<b>C. Other Loans:</b>			
Promissory Note - Bridge Loan	\$ 62,884	2.84%	05/2023
FEMA Loan - Hurricane Zeta	1,866,422	1.75%	02/2023
Total Other Loans	<u>\$ 1,929,306</u>		

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

**Governmental Activities:**

<u>Year Ending September 30</u>	<u>Limited Obligation Bonds</u>		<u>Financed Purchases</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 235,000	\$ 138,925	\$ 1,106,651	\$ 98,272
2024	245,000	128,938	337,511	78,125
2025	255,000	118,525	829,396	63,504
2026	265,000	107,688	632,127	33,601
2027	280,000	96,425	546,987	13,800
2028-2032	1,610,000	262,239	-	-
Total	<u>\$ 2,890,000</u>	<u>\$ 852,740</u>	<u>\$ 3,452,672</u>	<u>\$ 287,302</u>

**GREENE COUNTY, MISSISSIPPI**

**Notes to the Financial Statements  
For the Year Ended September 30, 2022**

Year Ending September 30	Other Loans	
	Principal	Interest
2023	\$ 1,929,306	\$ 670
2024	-	-
2025	-	-
2026	-	-
2027	-	-
2028-2032	-	-
Total	<u>\$ 1,929,306</u>	<u>\$ 670</u>

**Legal Debt Margin** - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2022, the amount of outstanding debt was equal to 2.12% of the latest property assessments.

The following is a summary of changes in long-term liabilities and obligations for the year ended September 30, 2022:

	Balance Oct. 1, 2021	Additions	Reductions	Reclassification *	Balance Sept. 30, 2022	Amount Due Within One Year
<b>Governmental Activities:</b>						
Compensated Absences	\$ 86,285	\$ 23,358	\$ -	\$ 227	\$ 109,870	\$ -
General Obligation Bonds	140,800	-	140,800	-	-	-
Limited Obligation Bonds	3,115,000	-	225,000	-	2,890,000	235,000
Less:						
Discounts	(48,225)	-	(4,823)	-	(43,402)	(4,823)
Capital Leases	2,666,305	-	-	(2,666,305)	-	-
Financed Purchases	-	1,559,870	790,779	2,683,581	3,452,672	1,106,651
Leases payable	-	19,346	44,657	151,767	126,456	45,270
Other Loans	2,679,078	-	749,772	-	1,929,306	1,929,306
Total	<u>\$ 8,639,243</u>	<u>\$ 1,602,574</u>	<u>\$ 1,946,185</u>	<u>\$ 169,270</u>	<u>\$ 8,464,902</u>	<u>\$ 3,311,404</u>
<b>Business-type Activities:</b>						
Compensated Absences	\$ 227	\$ -	\$ -	\$ (227)	\$ -	\$ -
Capital Leases	169,043	-	-	(169,043)	-	-
Financed Purchases	-	-	-	-	-	-
Total	<u>\$ 169,270</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (169,270)</u>	<u>\$ -</u>	<u>\$ -</u>

\* The reclassification column represents the reclassification of debt previously included in business-type activities to be included in Governmental Activities. See Note 2 for additional discussion. Additionally, the reclassification column represents the effect of the implementation of GASB Statement No. 87, *Leases* which reclassified debt previously known as “capital leases” to “financed purchases”. See Note 1(R) for additional discussion.

Compensated absences will be paid from the fund from which the employees’ salaries were paid, which are generally the General Fund, Emergency 911 Fund, Road District Funds, Bridge and Culvert Funds, Solid Waste Fund, and the Chancery Clerk Clearing Fund.

**(12) Defined Benefit Pension Plan.**

*General Information about the Pension Plan*

**Plan Description.** Greene 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

## GREENE COUNTY, MISSISSIPPI

### Notes to the Financial Statements For the Year Ended September 30, 2022

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, 2022, 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, 2022 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, 2022, 2021 and 2020 were \$582,030, \$538,759, and \$555,296, 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, 2022, the County reported a liability in the Governmental Activities of \$9,552,661 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022 net pension liability was .046409 percent, which was based on a measurement date of June 30, 2022. This was a decrease of .001210 percent from its proportionate share used to calculate the September 30, 2021 net pension liability, which was based on a measurement date of June 30, 2021.

**GREENE COUNTY, MISSISSIPPI**

**Notes to the Financial Statements  
For the Year Ended September 30, 2022**

For the year ended September 30, 2022, the Governmental Activities recognized pension expense of \$765,180. At September 30, 2022, 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	\$ 136,725	
Net difference between projected and actual earnings on pension plan investments		269,045
Changes of assumptions	339,002	
Changes in the proportion and differences between the County's contributions and proportionate share of contributions		259,249
County contributions subsequent to the measurement date	156,578	
Total	\$ 632,305	\$ 528,294

\$156,578 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, 2023. 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
2023	\$ (21,411)
2024	(92,493)
2025	(275,027)
2026	336,364
Total	\$ (52,567)

Actuarial Assumptions. The total pension liability as of June 30, 2022 was determined by an actuarial valuation prepared as of June 30, 2021, and by the investment experience for the fiscal year ending June 30, 2022. 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 for service retirees were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

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

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

**GREENE COUNTY, MISSISSIPPI**

**Notes to the Financial Statements  
For the Year Ended September 30, 2022**

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	25.00 %	4.60 %
International Equity	20.00	4.50
Global Equity	12.00	4.85
Fixed Income	18.00	1.40
Real Estate	10.00	3.65
Private Equity	10.00	6.00
Private Infrastructure	2.00	4.00
Private Credit	2.00	4.00
Cash Equivalents	1.00	-0.10
	<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:

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
County's proportionate share of the net pension liability	\$ 12,467,198	\$ 9,552,661	\$ 7,149,773

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

**(13) Deficit Fund Balances of Individual Funds.**

The following funds reported deficits in fund balances at September 30, 2022:

<u>Fund</u>	<u>Deficit Amount</u>
DUI Grant Fund	\$ (14,350)
Forestry Commission Grant - Fuel Reduction Fund	(2,385)
Homeland Security Fund	(22,280)
Law Library Fund	(55,484)
Museum Archives & History Grant Fund	(34,965)
Solid Waste Fund	(78,845)
Total Deficits	<u>\$ (208,309)</u>

**(14) 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

## GREENE COUNTY, MISSISSIPPI

### Notes to the Financial Statements For the Year Ended September 30, 2022

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.

#### (15) **Effect of Deferred Amounts on Net Position.**

The governmental activities' unrestricted net position amount of (\$9,839,373) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pensions in the amount of \$156,578 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, 2023. The \$475,727 balance of the deferred outflow of resources related to pensions at September 30, 2022, will be recognized in pension expense over the next 3.00 years. The \$528,294 balance of the deferred inflow of resources related to pensions at September 30, 2022, will be recognized in pension expense over the next 4.00 years.

#### (16) **Joint Ventures.**

The County participates in the following joint venture:

Greene County, Mississippi is a participant with the Counties of Perry and Stone in a joint venture, authorized by Section 39-3-9, Miss. Code Ann. (1972), to operate the Pine Forest Regional Library. The joint venture was created to provide free public library service to citizens of the respective counties and is governed by a six-member board. Each County appoints two board members. By contractual agreement the County's appropriation to the joint venture was \$65,000. Complete financial statements for the Pine Forest Regional Library can be obtained from P. O. Box 1208; Richton, MS 39476.

#### (17) **Jointly Governed Organizations.**

The County participates in the following jointly governed organizations.

Southeast Mississippi Air Ambulance District operates in a district composed of the Counties of Covington, Forrest, Greene, Jefferson Davis, Marion, Pearl River, Perry, Stone and Walthall. The Greene County Board of Supervisors appoints one of nine members of the board of directors. There is no ongoing financial interest or responsibility for the appointing authorities. The County attributed \$32,354 for support of the district in fiscal year 2022.

Southern Mississippi Planning and Development District operates in a district composed of the Counties of Covington, Forrest, George, Greene, Hancock, Harrison, Jackson, Jefferson Davis, Jones, Lamar, Marion, Pearl River, Perry, Stone and Wayne. The Greene County Board of Supervisors appoints one of the 27 members of the board of directors. The County contributed \$27,000 for support of the district in fiscal year 2022.

Pine Belt Mental Health Care Resources operates in a district composed of the Counties of Covington, Forest, Greene, Jefferson Davis, Jones, Lamar, Marion, Perry and Wayne. The Greene County Board of Supervisors appoints one of the nine members of the board of commissioners. The County appropriated \$21,000 for support of the entity in fiscal year 2022.

Jones County Junior College operates in a district composed of the Counties of Clarke, Covington, Greene, Jasper, Jones, Perry, Smith and Wayne. The Greene County Board of Supervisors appoints two of the 20 members of the college board of trustees. The County appropriated \$266,781 for maintenance, support and enlargement of the college in fiscal year 2022.

Mississippi Regional Housing Authority VIII operates in a district composed of the Counties of Covington, Forest, George, Greene, Hancock, Harrison, Jackson, Jones, Lamar, Marion, Pearl River, Perry, Stone and Wayne. The governing body is a 15-member board of commissioners, one appointed by the board of supervisors of each of the member counties and one appointed at large. The Counties generally provide no financial support to the organization.

**GREENE COUNTY, MISSISSIPPI**

**Notes to the Financial Statements  
For the Year Ended September 30, 2022**

Gulf Coast Community Action Agency operates in the Counties of George, Greene, Hancock and Harrison. The agency’s board is composed of 24 members, one each appointed by the Counties of George, Greene, Hancock and Harrison, and the Cities of Bay St. Louis, Biloxi, Gulfport and Pass Christian, with the remaining 16 appointed by the private sector. Most of the entity’s funding comes through federal grants and the member governments provide only a modest amount of financial support when the grants require matching funds.

**(18) Tax Abatements.**

As of September 30, 2022, Greene County provides tax exempt status to one utility storage facility and one electrical contractor subject to the requirements of GASB Statement No. 77. These companies are exempt from real property taxes and personal property taxes except for levies involving the school, the mandatory mill and the community college tax levies. These exemptions are authorized under Sections 27-31-7, 27-31-104 and 27-31-105 of the Miss. Code Ann. (1972). These exemptions encourage businesses to locate or expand operations in the County and to create jobs. The amount of taxes abated during fiscal year 2022 totaled \$52,532 for the utility storage facility and \$5,511 for the electrical contractor.

**(19) 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 Greene County evaluated the activity of the County through December 28, 2023 and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements.

Subsequent to September 30, 2022, 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>
11/1/2022	4.68%	\$ 48,925	Other Loan	Ad Valorem Taxes
12/1/2022	4.75%	196,558	Financed Purchase	Ad Valorem Taxes
12/19/2022	5.30%	255,908	Other Loan	Ad Valorem Taxes
3/1/2023	4.64%	240,000	Financed Purchase	Ad Valorem Taxes
8/8/2023	5.43%	245,000	Financed Purchase	Ad Valorem Taxes
8/21/2023	5.42%	230,000	Other Loan	Ad Valorem Taxes
8/28/2023	5.52%	245,000	Other Loan	Ad Valorem Taxes
10/20/2023	5.41%	245,000	Other Loan	Ad Valorem Taxes

**REQUIRED SUPPLEMENTARY INFORMATION**

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**GREENE COUNTY, MISSISSIPPI**  
**Budgetary Comparison Schedule -**  
**Budget and Actual (Non-GAAP Basis)**  
**General Fund**  
**For the Year Ended September 30, 2022**  
**UNAUDITED**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual (Budgetary Basis)</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>REVENUES</b>				
Property taxes	\$ 4,185,974	\$ 4,285,214	\$ 4,285,214	\$ -
Licenses, commissions and other revenues	125,500	125,516	125,516	-
Fines and forfeitures	209,000	358,790	358,790	-
Intergovernmental revenues	241,600	166,313	166,313	-
Charges for services	10,000	-	-	-
Interest income	5,000	18,605	18,605	-
Miscellaneous revenues	832,700	955,186	954,960	(226)
Total Revenues	<u>5,609,774</u>	<u>5,909,624</u>	<u>5,909,398</u>	<u>(226)</u>
<b>EXPENDITURES</b>				
Current:				
General government	2,981,202	3,890,045	3,890,045	-
Public safety	933,560	1,208,745	1,208,745	-
Public works	-	261,113	261,113	-
Health and welfare	656,414	549,205	549,205	-
Culture and recreation	78,606	90,122	90,122	-
Conservation of natural resources	117,107	145,798	145,798	-
Economic development and assistance	20,000	-	-	-
Total Expenditures	<u>4,786,889</u>	<u>6,145,028</u>	<u>6,145,028</u>	<u>-</u>
Excess of Revenues Over (Under) Expenditures	<u>822,885</u>	<u>(235,404)</u>	<u>(235,630)</u>	<u>(226)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	-	30,000	30,000	-
Transfer out	-	(872,986)	(872,986)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(842,986)</u>	<u>(842,986)</u>	<u>-</u>
Net Change in Fund Balance	822,885	(1,078,390)	(1,078,616)	(226)
<b>Fund Balances - Beginning</b>	<u>1,112,300</u>	<u>-</u>	<u>2,596,512</u>	<u>2,596,512</u>
<b>Fund Balances - Ending</b>	<u>\$ 1,935,185</u>	<u>\$ (1,078,390)</u>	<u>\$ 1,517,896</u>	<u>\$ 2,596,286</u>

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

**GREENE COUNTY, MISSISSIPPI**  
**Schedule of the County's Proportionate Share of the Net Pension Liability**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2022**  
**UNAUDITED**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset)	0.046409%	0.047619%	0.047402%	0.046683%	0.045771%	0.044758%	0.043401%	0.042950%	0.041460%
County's proportionate share of the net pension liability (asset)	\$ 9,552,661	\$ 7,038,297	\$ 9,176,477	\$ 8,212,461	\$ 7,613,077	\$ 7,440,300	\$ 7,752,502	\$ 6,639,222	\$ 5,032,485
Covered payroll	\$ 3,345,001	\$ 3,096,313	\$ 3,191,356	\$ 3,067,267	\$ 2,964,964	\$ 2,871,244	\$ 2,776,470	\$ 2,722,768	\$ 2,505,816
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	285.58%	227.31%	287.54%	267.75%	256.77%	259.13%	279.22%	243.84%	200.83%
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	74.17%	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.

**GREENE COUNTY, MISSISSIPPI**  
**Schedule of County Contributions**  
**Last 10 Fiscal Years\***  
**For the Year Ended September 30, 2022**  
**UNAUDITED**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 582,030	\$ 538,759	\$ 555,296	\$ 497,255	\$ 466,982	\$ 452,947	\$ 437,091	\$ 428,836	\$ 394,666
Contributions in relation to the contractually required contribution	<u>582,030</u>	<u>538,759</u>	<u>555,296</u>	<u>497,255</u>	<u>466,982</u>	<u>452,947</u>	<u>437,091</u>	<u>428,836</u>	<u>394,666</u>
Contribution deficiency (excess)	<u>\$ -</u>								
Covered payroll	\$3,345,001	\$ 3,096,313	\$ 3,191,356	\$ 3,067,267	\$ 2,964,964	\$2,875,835	\$ 2,775,181	\$ 2,722,768	\$ 2,505,816
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	16.21%	15.75%	15.75%	15.75%	15.75%	15.75%

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

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

**GREENE COUNTY, MISSISSIPPI**

**Notes to the Required Supplementary Information  
For the Year Ended September 30, 2022  
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-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. 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:

	<b>Governmental Fund Types</b>
	<b>General Fund</b>
<b>Budget (Cash Basis)</b>	\$ (1,078,616)
Increase (Decrease)	
Net adjustments for revenue accruals	100,703
Net adjustments for expenditure accruals	(229,081)
<b>GAAP Basis</b>	\$ (1,206,994)

**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.

**GREENE COUNTY, MISSISSIPPI**

**Notes to the Required Supplementary Information  
For the Year Ended September 30, 2022  
UNAUDITED**

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.

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%.

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%.

**GREENE COUNTY, MISSISSIPPI**

**Notes to the Required Supplementary Information  
For the Year Ended September 30, 2022  
UNAUDITED**

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 increased from 9% to 12%.  
The percentage of active member deaths assumed to be in 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.

**C. Method and assumptions used in calculations of actuarially determined contributions.**

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2020 valuation for the June 30, 2022 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	27.7 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

**SUPPLEMENTARY INFORMATION**

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**GREENE COUNTY, MISSISSIPPI**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2022**

Federal Grantor/ Pass-through Grantor/ Program Title or Cluster	Federal Assistance Listing Number	Pass-through Entity Identifying Number	Federal Expenditures
<b><u>U.S. Department of Agriculture</u></b>			
Passed-through the Mississippi State Treasurer's Office			
Forest Service Schools and Roads Cluster:			
Schools and Roads - Grants to States	10.665	N/A	\$ <u>191,815</u>
Total Passed-through the Mississippi State Treasurer's Office			<u>191,815</u>
<b>Total U.S. Department of Agriculture</b>			<u>191,815</u>
<b><u>U.S. Department of the Treasury</u></b>			
Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	<u>750,000</u> *
<b>Total U.S. Department of the Treasury</b>			<u>750,000</u>
<b>Total Expenditures of Federal Awards</b>			<b>\$ <u>941,815</u></b>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Basis Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal award activity of Greene County under programs of the federal government for the year ended September 30, 2022. 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 Greene County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Greene County.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the 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 credits made in the normal course of business to amounts reported as expenditures in prior years.

Note C - Indirect Cost Rate

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

\* Denotes major federal award program

**GREENE COUNTY, MISSISSIPPI**  
**Reconciliation of Operating Costs of Solid Waste**  
**For the Year Ended September 30, 2022**

Operating Expenditures, Cash Basis:

Salaries	\$	88,473
Expendable commodities:		
Gasoline and petroleum products		28,895
Repair parts		2,918
Service contract		710,148
Supplies (includes equipment under the capitalization thresholds)		34,004
Debt service:		
Principal		33,692
Interest		6,290
 Solid Waste Cash Basis Operating Expenditures		904,420
 Full Cost Expenses		
Depreciation on equipment		41,077
Net effect of other accrued expenses		67,143
 Solid Waste Full Cost Operating Expenses		\$ 1,012,640

**OTHER INFORMATION**

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**GREENE COUNTY, MISSISSIPPI**  
**Schedule of Surety Bonds for County Officials**  
**For the Year Ended September 30, 2022**  
**UNAUDITED**

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
James D. McInnis	Supervisor District 1	Liberty National	\$ 100,000
Elton Lewis Clark	Supervisor District 2	Liberty National	100,000
Wayburn D. Smith	Supervisor District 3	Liberty National	100,000
Wayne Barrow	Supervisor District 4	Ohio Casualty	100,000
Gary F. Fairly	Supervisor District 5	Liberty National	100,000
Tyson Moreno	County Comptroller	Liberty National	100,000
Michelle Eubanks	Chancery Clerk	Liberty National	100,000
Patti Zehner	Deputy Chancery Clerk	Liberty National	75,000
Crystal M. Johnson	Deputy Chancery Clerk	Liberty National	75,000
Lavon Pringle/Kristin Odom	Purchase Clerk	Liberty National	100,000
Angela Pearce	Assistant Purchase Clerk	Liberty National	75,000
Angela Pearce	Receiving Clerk	Ohio Casualty	75,000
John C. Hollinghead	Assistant Receiving Clerk	Ohio Casualty	75,000
Dorothy Woods	Assistant Receiving Clerk	Western Surety	75,000
Lewis C. Hillman	Assistant Receiving Clerk	Liberty National	75,000
Gerald Thompson	Assistant Receiving Clerk	Liberty National	75,000
Luke Silas	Assistant Receiving Clerk	Liberty National	75,000
Patti Zehner	Inventory Control Clerk	Ohio Casualty	75,000
Angela Pearce	Solid Waste Receiving Clerk	Ohio Casualty	75,000
Kenneth R. Dixon	Road Manager	Liberty National	75,000
John C. Hollinghead	Road Manager	Liberty National	75,000
Dorothy Woods	Road Manager	Western Surety	75,000
Lewis C. Hillman	Road Manager	Liberty National	75,000
Gerald Thompson	Road Manager	Liberty National	75,000
Luke Silas	Road Manager	Liberty National	75,000
Ryan Walley	Constable	Ohio Casualty	50,000
Shannon Busby	Constable	Ohio Casualty	75,000
Cecilia Bounds	Circuit Clerk	Ohio Casualty	100,000
Renee Green	Deputy Circuit Clerk	Ohio Casualty	75,000
Pertina Benjamin	Deputy Circuit Clerk	Ohio Casualty	75,000
Jeffrey W. Byrd	Justice Court Judge	Ohio Casualty	75,000
Shannon Busby	Justice Court Judge	Ohio Casualty	100,000
Brenda Moreno	Justice Court Clerk	Ohio Casualty	75,000
Rita Walley	Deputy Justice Court Clerk	Ohio Casualty	75,000
Victoria Moss	Deputy Justice Court Clerk	Ohio Casualty	75,000
Mark Holder	Tax Assessor-Collector	Ohio Casualty	100,000
Vonda Matthews	Deputy Tax Assessor-Collector	Western Surety	75,000
Tammy Kittrell	Deputy Tax Assessor-Collector	Western Surety	75,000
Melanie J. Smith	Deputy Tax Assessor-Collector	Western Surety	75,000
Stanley Mathis	Solid Waste Manager	Western Surety	50,000
Ryan Walley	Solid Waste Manager	Liberty National	100,000
Stanley McLeod	Sheriff	Ohio Casualty	100,000
William Anglin	Sheriff's Deputy	Ohio Casualty	75,000
Benjamin Brown	Sheriff's Deputy	Liberty Mutual	75,000
William Darr	Sheriff's Deputy	Liberty Mutual	75,000
Tommy Henderson	Sheriff's Deputy	Ohio Casualty	75,000
Sean M Carnahan	Sheriff's Deputy	Liberty Mutual	75,000
Raleigh P Dueitt	Sheriff's Deputy	Liberty Mutual	75,000
Joseph E Meadows	Sheriff's Deputy	Liberty Mutual	75,000
Jarrot D Husband	Sheriff's Deputy	Liberty Mutual	75,000
Deanna S Bettinger	Sheriff's Deputy	Liberty Mutual	75,000
James A Kelley	Sheriff's Deputy	Liberty Mutual	75,000
William J Seeger	Sheriff's Deputy	Liberty Mutual	75,000
Alvin J Moody	Sheriff's Deputy	Liberty Mutual	75,000
James B Warrick	Sheriff's Deputy	Liberty Mutual	75,000
Jeremy S Welford	Sheriff's Deputy	Liberty Mutual	75,000

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# Stephen D. Myrick C.P.A., L.L.C.

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*American Institute of*  
*Certified Public Accountants*

*Member*  
*Mississippi Society of*  
*Certified Public Accountants*

## 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  
Greene 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 (*Government Auditing Standards*), the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Greene County, Mississippi (the County), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 28, 2023. The report is qualified on the governmental activities because the County did not maintain adequate subsidiary records documenting the existence, completeness and valuation of capital assets as required by accounting principles generally accepted in the United States of America.

### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Greene 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 Greene County, Mississippi's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2022-001 and 2022-002 to be material weaknesses.

*A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2022-003, 2022-004, 2022-005, and 2022-006 to be significant deficiencies.

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Greene 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001.

We also noted certain matters which we have reported to the management of Greene 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 December 28, 2023, included within this document.

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

*Government Auditing Standards* requires the auditor to perform limited procedures on Greene County's responses to the findings identified in our audit and described in the accompanying Corrective Action Plan. Greene 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.

### **Purpose of this Report**

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



Stephen D. Myrick, C.P.A., L.L.C.  
Quitman, Mississippi  
December 28, 2023

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## 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  
Greene County, Mississippi

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

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

We have audited Greene County, Mississippi's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on Greene County, Mississippi's major federal program for the year ended September 30, 2022. Greene 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.

In our opinion, Greene County, Mississippi complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended September 30, 2022.

#### ***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Greene County, Mississippi and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of Greene County, Mississippi's compliance with the compliance requirements referred to above.

#### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Greene County, Mississippi's federal programs.

#### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Greene County, Mississippi's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Greene County, Mississippi's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS and Government Auditing Standards, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Greene County Mississippi's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Greene County, Mississippi's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Greene County, Mississippi's internal control over compliance. Accordingly, no such opinion is expressed.

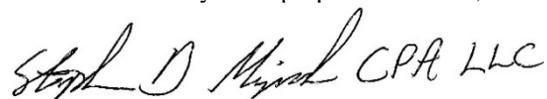
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### ***Report on Internal Control Over Compliance***

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2022-007 to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. *Government Auditing Standards* requires the auditor to perform limited procedures on Greene County, Mississippi's response to the internal control over compliance findings identified in our compliance audit described in the accompanying Schedule of Findings and Questioned Costs. Greene County, Mississippi's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.



Stephen D. Myrick, C.P.A., L.L.C.  
Quitman, Mississippi  
December 28, 2023

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

Members of the Board of Supervisors  
Greene County, Mississippi

We have examined Greene 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, 2022. The Board of Supervisors of Greene 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 Greene 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.

The County did not maintain adequate subsidiary records documenting the existence, completeness and valuation of capital assets.

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 certain instances of noncompliance with the aforementioned code sections. These instances of noncompliance were considered in forming our opinion on compliance. Our findings and recommendations and your responses are disclosed below:

### **Inventory Control Clerk.**

- The Inventory Control Clerk should strengthen internal controls to ensure compliance with state statutes that require adequate capital asset subsidiary records are maintained.**

**Repeat Finding:** Yes, 1.

**Criteria:** *Section 31-7-107, Mississippi Code of 1972 Annotated*, requires the County to develop and maintain an inventory control system over capital assets to ensure that capital assets are properly accounted for.

**Condition:** As reported in the prior nineteen years' audit reports, capital asset control procedures were inadequate to ensure compliance with state statutes requiring an accurate capital asset inventory listing or adequate subsidiary records documenting existence, valuation, and completeness of capital assets. We observed the following deficiencies in the internal control system over capital assets:

- Three instances where assets were purchased but not capitalized (\$323,606).
- One instance where the documentation to support the estimated fair market value of a donated asset was not maintained (\$10,000).
- Three instances where the useful life and salvage values used were incorrect.
- Four instances where capital assets were sold but were not declared surplus and removed from capital assets inventory in a timely manner (\$141,269).
- Seven instances where capital assets were sold that were never recorded on capital asset inventory (\$44,161).
- One instance where an asset was capitalized in the capital asset records two times. (\$288,522).
- Seventy instances where capital assets were recorded in the capital asset records at the incorrect cost and have not been corrected.
- Two instances where assets below the capitalization threshold were capitalized in prior years and have not been removed from the above threshold capital asset records.

Therefore, the opinions on the Independent Auditor’s Report on the governmental activities financial statements are qualified because we were unable to satisfy ourselves as to the fair presentation of the County’s investment in capital assets.

**Cause:** The County lacks the necessary control procedures to ensure compliance with state statutes requiring the County to maintain an accurate capital asset inventory listing, as well as related subsidiary ledgers.

**Effect:** The failure to maintain an effective internal control system over inventory could result in the reporting of inaccurate amounts and increases the possibility of loss or misappropriation of public funds.

**Recommendation:** The Board of Supervisors should establish control procedures to ensure compliance with state statutes that require the County to maintain accurate inventory records documenting the existence, valuation, and completeness of capital assets.

**Views of Responsible Official(s):** The Inventory Control Clerk will strengthen internal controls to ensure compliance with state statutes and ensure that all records are maintained properly.

**2. The Purchase Clerk and Board of Supervisors should maintain adequate internal controls over purchasing to ensure compliance with various purchasing requirements mandated by state statute.**

**Repeat Finding:** Yes, 2.

**Criteria:** *Section 31-7-111, Mississippi Code of 1972 Annotated*, requires the purchase clerk to maintain custody of supporting documentation for purchases of the County and deems the documentation to be public record which shall be made available for inspection during reasonable hours to any person requesting the same.

*Section 31-7-13, Mississippi Code of 1972 Annotated*, known as the Mississippi Purchasing Laws requires the County to comply with the purchasing requirements in accordance with state statutes. In addition, management is responsible for establishing a proper internal control system to ensure a strong financial accountability and safeguarding of assets.

**Condition:** As a result of our statistically valid random sample of forty non-payroll disbursements and our test of large expenditures, the following deficiencies were observed where internal control procedures are inadequate to ensure that the Purchase Clerk and Board of Supervisors either did not fulfill its present internal control system over purchasing or comply with state statutes:

- Twenty-seven instances where expenditures below \$2,000 were not approved by the appropriate department head.

- One instance where the Board did not approve a payment to a vendor in the amount of two hundred fifty thousand dollars (\$250,000).

**Cause:** The County lacks the necessary internal control procedures to ensure that it fulfills its present internal control system and to ensure compliance with state statutes over purchasing.

**Effect:** Due to an inadequate internal control system in place over purchasing, the County is not in compliance with state laws. Failure to implement an adequate system of internal control over purchasing could result in improper payments to vendors, theft of assets, and/or misappropriation of funds.

**Recommendation:** The Purchase Clerk and the Board of Supervisors should strengthen internal controls to ensure compliance with state statutes over purchasing and custody of purchasing documentation as required by law.

**Views of Responsible**

**Official(s):** The Purchase Clerk and Board of Supervisors will maintain adequate internal controls over purchasing to ensure compliance with statute.

In our opinion, except as explained in the third paragraph and except for the noncompliance referred to in the preceding paragraph, Greene County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2022.

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.

Greene 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 for use in evaluating Greene 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.

  
Stephen D. Myrick, C.P.A., L.L.C.  
Quitman, Mississippi  
December 28, 2023

**GREENE COUNTY, MISSISSIPPI**  
**Schedule of Purchases From Other Than the Lowest Bidder**  
**For the Year Ended September 30, 2022**

<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>
11/4/2021	Roofing Project	\$ 149,200	E. Cornell Malone Corp.	\$ 138,177	Completion time of 60 days vs 270 days with other bid

**Schedule 2**

**GREENE COUNTY, MISSISSIPPI  
Schedule of Emergency Purchases  
For the Year Ended September 30, 2022**

<b><u>Date</u></b>	<b><u>Item Purchased</u></b>	<b><u>Amount Paid</u></b>	<b><u>Vendor</u></b>	<b><u>Reason for Emergency Purchase</u></b>
12/20/2021	Prisoner Meals	\$ 7,795	Moltens Kountry Kitchen	No response to bids
1/3/2022	Prisoner Meals	3,210	Moltens Kountry Kitchen	No response to bids
2/7/2022	Prisoner Meals	8,895	Moltens Kountry Kitchen	No response to bids
5/2/2022	Power Upgrade	255,700	George Regional Hospital	Emergency Power Upgrade

**GREENE COUNTY, MISSISSIPPI  
Schedule of Purchases Made Noncompetitively From a Sole Source  
For the Year Ended September 30, 2022**

<b>Date</b>	<b>Item Purchased</b>	<b>Amount Paid</b>	<b>Vendor</b>
-------------	---------------------------	------------------------	---------------

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

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## LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors  
Greene County, Mississippi

In planning and performing our audit of the financial statements of Greene County, Mississippi for the year ended September 30, 2022, we considered Greene 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 Greene 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 December 28, 2023, on the financial statements of Greene County, Mississippi.

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

The results of our review procedures and compliance tests identified certain immaterial instances of noncompliance with state laws and regulations that are opportunities for strengthening internal controls and operating efficiency. Our findings, recommendations, and your responses are disclosed below:

### **Comptroller and Board of Supervisors**

1. **The County should settle additional privilege taxes on carriers of property and on buses to the County's School District.**

**Repeat Finding:** Yes, 1.

**Criteria:** *Section 27-19-11, Mississippi Code of 1972 Annotated*, states that Counties shall distribute proceeds from tax on carriers of property and on buses as they would if these collections were ad valorem taxes.

**Condition:** As reported in the prior year audit reports, the County did not settle \$17,041 in additional privilege taxes to the local school district. Instead, these funds were only settled in the County's Road funds.

**Cause:** The County did not comply with state law relating to the sharing of additional privilege taxes with local school districts.

**Effect:** Failure to settle the additional privilege taxes to the local school district is a violation of *Section 27-19-11, Mississippi Code of 1972 Annotated* and could result in the misappropriation of public funds.

**Recommendation:** The County should strengthen its internal control system to ensure compliance with state law that requires the Comptroller to comply with *Section 27-19-11, Mississippi Code of 1972 Annotated* to

ensure all additional privilege taxes received from the Mississippi Department of Revenue are settled to the local school district as if they were ad valorem taxes.

**Views of Responsible Official(s):**

The County will settle additional privilege taxes on carriers of property and on buses to the School District per statute.

**2. Inter-fund transfers were not approved by the Board of Supervisors.**

**Repeat Finding:** Yes, 2.

**Criteria:** *Section 19-3-27, Mississippi Code of 1972 Annotated*, requires a complete and correct record be maintained for all proceedings of the Board of Supervisors.

**Condition:** Three inter-fund transfers in the amount of forty-two thousand two hundred sixty-seven dollars (\$42,267) were made without the board's approval.

**Cause:** The Comptroller and the Board of Supervisors did not comply with state law.

**Effect:** The failure to obtain board approval for inter-fund transfers increases the possibility of the loss or misuse of public funds.

**Recommendation:** All individual inter-fund transfers including the specific amount, purpose, and the name of the individual funds where monies are being transferred to and from should be approved by the Board of Supervisors and spread in the board minutes.

**Views of Responsible Official(s):**

All interfund transfers will be approved by the BOS.

**Comptroller, Clerk of the Board, and Board of Supervisors**

**3. The County did not prepare or obtain approval from the Board of Supervisors of a combined or combining budgets of revenues, expenditures/expenses, and a working cash balance of all funds.**

**Repeat Finding:** Yes, 3.

**Criteria:** *Section 19-11-17, Mississippi Code of 1972 Annotated*, requires the Board of Supervisors to prepare and submit at its August meeting of each year a complete budget of revenues, expenses, and a working cash balance estimated for the next fiscal year for each fund. The original combined and combining budgets for all required funds should be approved by the Board of Supervisors and a copy included in the minutes of the Board of Supervisors.

**Condition:** As reported in the prior year audit reports, the original combined budget for the fiscal year 2021-2022 was not approved by the Board of Supervisors and included in the board minutes as required by state law.

**Cause:** The County did not have the necessary internal control system in place to ensure compliance with state laws. The Comptroller did not prepare an accurate original budget for the Board of Supervisors for approval and submit it to the Clerk of the Board to be included in the minutes of the Board of Supervisors.

**Effect:** The failure to prepare and submit a complete and accurate combined budget of revenues, expenditures/expenses, and working cash balances for all funds could result in the County not complying with state law.

**Recommendation:** The County should strengthen the internal control system to ensure compliance with state law that requires the Comptroller prepare and submit to the Board of Supervisors for approval each year a complete combined and combining budget of revenues, expenditures/expenses, and working cash balances for all funds and obtain approval from the Board of Supervisors.

**Views of Responsible Official(s):**

The County will prepare and obtain approval from the Board of Supervisors for the combined and combining budgets of revenues, expenditures/expenses, and a working cash balance of all funds.

**4. The County did not obtain approval from the Board of Supervisors and include in the minutes of the Board the final amended combined and combining budgets of revenues, expenditures/expenses, and a working cash balance of all funds**

**Repeat Finding:** Yes, 4.

**Criteria:** *Section 19-11-9, Mississippi Code of 1972 Annotated*, requires the County to prepare a final amended combined budget of revenues, expenditures/expenses, and working cash balances in such form as may be necessary. Furthermore, the final amended budget of all funds for the fiscal year, which may be amended up to the end of the fiscal year, must be approved and entered on the minutes of the Board of Supervisors no later than October 31<sup>st</sup>, following the close of the fiscal year.

**Condition:** As reported in the prior year audit reports, the final amended combined budget for the fiscal year 2021-2022 was not prepared by the Comptroller and approved by the Board of Supervisors and included in the board minutes as required by state law.

**Cause:** The County did not have the necessary internal control system in place to ensure compliance with state laws. The Comptroller did not prepare an accurate final amended combined budget for approval by the Board of Supervisors and did not submit it to the Clerk of the Board to be included in the board minutes.

**Effect:** The failure to prepare and submit a complete and accurate final amended combined budget of revenues, expenditures/expenses, and working cash balances for all funds could result in the misappropriation of public funds if accounts are not properly budgeted and monitored. It could also result in the Board of Supervisors being held personally liable for any expenditures approved and paid in excess of the budgeted expenditures for which the individual supervisor voted in the affirmative.

**Recommendation:** The County should strengthen its internal control system to ensure compliance with state law that requires the Comptroller prepare and submit to the Board of Supervisors for approval each year a complete and accurate final amended combined budget of revenues, expenditures/expenses, and working cash balances for all funds and include a copy of this budget in the minutes of the Board of Supervisors no later than October 31<sup>st</sup>, following the close of the fiscal year.

**Views of Responsible Official(s):**

The County will obtain approval from the BOS and include in the minutes the final amended combined and combining budgets of revenues, expenditures/expenses, and a working cash balance of all funds.

**Purchase Clerk and Board of Supervisors.**

**5. County officials and employees are not properly bonded as required by Mississippi Statutes.**

**Repeat Finding:** Yes, 6.

**Criteria:** Various statutes within the Mississippi Code of 1972 Annotated, require certain employees and public officials to be bonded.

**Condition:** As reported in the prior years' audit reports, we observed several instances where the County did not properly bond officials or employees in accordance with various Mississippi statutes as follows:

- One instance where the tax assessor/collector was bonded only as the tax collector and not as the tax assessor also.
- Eight instances where the bond did not bond the employee for the specific position but as a public official.
- Twenty-three instances where county officials or employees were bonded through a bond continuation rather than by individual bonds.
- Six instances where employees were not bonded or bonded for the entire fiscal year.

**Cause:** The County did not have the necessary internal control system in place to ensure compliance with various state laws.

**Effect:** Failure to comply with state law would limit the amount available for recovery if a loss occurred.

**Recommendation:** The County should strengthen its internal control system to ensure compliance with various state laws requiring public officials and certain employees to be bonded.

**Views of Responsible Official(s):** All county officials and employees will be properly bonded as required by statute.

**Payroll Clerk and Board of Supervisors.**

**6. Required forms for re-employment should be completed for PERS retirees after retirement.**

**Repeat Finding:** Yes, 7.

**Criteria:** *Section 25-11-127(4)(a), Miss Code Ann. (1972)*, requires retirees to receive no more than one-half of the salary in effect for the position at the time of employment in a fiscal year. Furthermore, counties hiring PERS service retirees are required to file PERS Form 4B “Certificate/Acknowledgement of Re-employment of Retiree” with the PERS office within 5 days from the date of employment of the retiree. This statute also limits the amount of pay that retirees may earn in a reporting period.

**Condition:** As reported in the prior year audit reports, we observed three instances where PERS Form 4B was not filed and two instances where the County paid the re-employed retirees more than was allowable.

**Cause:** The necessary internal controls were not in place to ensure compliance with state law.

**Effect:** By not completing the required PERS Form 4Bs or not filing them timely with PERS, the County is not in compliance with the state legal requirements.

**Recommendation:** The County should strengthen internal controls to ensure compliance with state law requiring the County to file the PERS Form 4Bs within the mandated timeframes and maintain evidence of the filing dates of the retiree forms.

**Views of Responsible Official(s):** All required forms for re-employment will be completed for PERS retirees after retirement.

**Receiving Clerk and Board of Supervisors.**

**7. Receiving Clerk shall not also serve as the purchase clerk or assistant purchase clerk.**

**Repeat Finding:** Yes, 8.

**Criteria:** *Section 31-7-101, Mississippi Code of 1972 Annotated*, states the receiving clerk appointed by the Board of Supervisors may not also serve as the purchase clerk or assistant purchase clerk.

**Condition:** As reported in prior year audit reports, we observed that the County’s receiving clerk also performed the following purchasing duties from October through February:

- Pays vendors for amounts of \$1,500 and below.
- Prepares the claims docket for the monthly board meetings.
- Prints checks to pay the monthly claims.

During the current audit, we also observed that the receiving clerk served as the interim purchase clerk from March 2022 through May 2022.

**Cause:** Due to inadequate controls over purchasing, the County is not in compliance with state law.

**Effect:** Failure to maintain custody of purchasing records as required by *Miss. Code Section 31-7-101, Mississippi Code of 1972 Annotated* and maintain adequate controls over purchasing could result in improper payments to vendors, theft of assets, and misappropriation of funds.

**Recommendation:** The County should strengthen internal controls to ensure compliance with state law. The receiving clerk is not allowed to serve as the purchase clerk or assistant purchase clerk as well.

**Views of Responsible**

**Official(s):** The receiving clerk will not serve as the purchase clerk or assistant purchase clerk.

The 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.



Stephen D. Myrick, C.P.A., L.L.C.  
Quitman, Mississippi  
December 28, 2023

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**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

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**GREENE COUNTY, MISSISSIPPI**

**Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2022**

**Section 1: Summary of Auditor’s Results**

***Financial Statements:***

- |    |  |  |            |
|----|--|--|------------|
| 1. | Type of auditor's report issued on the financial statements: |  |            |
|    | Governmental activities                                      |  | Qualified  |
|    | General Fund   |  | Unmodified |
|    | Aggregate remaining fund information                         |  | Unmodified |
| 2. | Internal control over financial reporting:                   |  |            |
|    | a. Material weaknesses identified?                           |  | Yes        |
|    | b. Significant deficiencies identified?                      |  | Yes        |
| 3. | Noncompliance material to the financial statements noted?    |  | Yes        |

***Federal Awards:***

- |     |  |  |            |
|-----|--|--|------------|
| 4.  | Internal control over major federal programs:  |  |            |
|     | a. Material weaknesses identified?   |  | No         |
|     | b. Significant deficiencies identified?  |  | Yes        |
| 5.  | Type of auditor’s report issued on compliance for major federal programs:  |  | Unmodified |
| 6.  | Any audit finding(s) disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?   |  | Yes        |
| 7.  | Identification of major federal programs:  |  |            |
|     | <u>ALN</u>   | <u>Name of Federal Program or Cluster</u>            |            |
|     | 21.027   | Coronavirus State and Local<br>Fiscal Recovery Funds |            |
| 8.  | Dollar threshold used to distinguish between type A & type B programs:   |  | \$750,000  |
| 9.  | Auditee qualified as low-risk auditee?   |  | No         |
| 10. | Prior fiscal year audit finding(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary of prior audit findings in accordance with 2 CFR 200.511(b)? |  | Yes        |

GREENE COUNTY, MISSISSIPPI

Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2022

Section 2: Financial Statement Findings

Inventory Control Clerk and Board of Supervisors

Material Weakness

Material Noncompliance

2022-001. The Inventory Control Clerk and Supervisors should strengthen internal controls to ensure compliance with state statutes that require adequate capital asset subsidiary records are maintained.

Repeat Finding: Yes, 2021-001.

Criteria: *Section 31-7-107, Mississippi Code of 1972 Annotated*, requires the County to develop and maintain an inventory control system over capital assets to ensure that capital assets are properly accounted for.

Condition: As reported in the prior nineteen years' audit reports, capital asset control procedures were inadequate to ensure compliance with state statutes requiring an accurate capital asset inventory listing or adequate subsidiary records documenting existence, valuation, and completeness of capital assets. We observed the following deficiencies in the internal control system over capital assets:

- Three instances where assets were purchased but not capitalized (\$323,606).
- One instance where the documentation to support the estimated fair market value of a donated asset was not maintained (\$10,000).
- Three instances where the useful life and salvage values used were incorrect.
- Four instances where capital assets were sold but were not declared surplus and removed from capital assets inventory in a timely manner (\$141,269).
- Seven instances where capital assets were sold that were never recorded on capital asset inventory (\$44,161).
- One instance where an asset was capitalized in the capital asset records two times (\$288,522).
- Seventy instances where capital assets were recorded in the capital asset records at the incorrect cost and have not been corrected.
- Two instances where assets below the capitalization threshold were capitalized in prior years and have not been removed from the above threshold capital asset records.

Therefore, the opinion on the Independent Auditor's Report on the governmental activities financial statements are qualified because we were unable to satisfy ourselves as to the fair presentation of the County's investment in capital assets.

Cause: The County lacks the necessary control procedures to ensure compliance with state statutes requiring the County to maintain an accurate capital asset inventory listing, as well as related subsidiary ledgers.

Effect: The failure to maintain an effective inventory internal control system could result in the reporting of inaccurate amounts and increases the possibility of loss or misappropriation of public funds.

Recommendation: The Board of Supervisors should establish control procedures to ensure compliance with state statutes that require the County to maintain accurate inventory records documenting the existence, valuation, and completeness of capital assets.

GREENE COUNTY, MISSISSIPPI

Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2022

Views of Responsible  
Official(s):

The Auditee's Corrective Action Plan on pages 79-81 lists the County's response to the finding.

Material Weakness

2022-002. Internal controls should be strengthened over reporting restricted cash accounts.

Repeat Finding: Yes, 2021-003.

Criteria: Adequate internal control procedures regarding restricted cash accounts and proceeds from bonded debt include proper recording of cash accounts in the general ledger and timely reconciliations of accounts.

Condition: As reported in the prior nine years' audit reports, the Comptroller is not recording the restricted cash accounts in the general ledger or reconciling the balances of these accounts. As a result of audit procedures, we observed that the Debt Service Reserve and the General Account Funds with balances of \$378,130 and \$182, respectively, were not properly recorded in the general ledger or reconciled to the monthly statements.

Cause: The County did not have adequate controls over the reporting of restricted cash accounts.

Effect: Without adequate internal controls in place over restricted cash accounts, the risk increases that inaccurate information may be reported and a loss or misappropriation of public assets could occur.

Recommendation: The County should implement internal controls that include the recording of all restricted cash accounts bearing the County's name, as well as reconcile those accounts monthly.

Views of Responsible  
Official(s):

The Auditee's Corrective Action Plan on pages 79-81 lists the County's response to the finding.

Significant Deficiency

2022-003. Internal controls over cash should be strengthened to ensure that cash is reconciled each month on a timely basis.

Repeat Finding: Yes, 2021-005.

Criteria: An effective system of internal control over cash and cash equivalents requires bank statements to be reconciled with cash balances reported in the accounting records in a timely manner.

Condition: As reported in prior year audit reports, the present internal control system is inadequate to ensure that bank statements are reconciled in a timely manner to the accounting records.

Cause: The County did not previously reconcile its general or payroll bank statements for approximately ten years.

Effect: The failure to reconcile the bank statements to the cash reported in the accounting records timely each month could result in the possibility of the loss or misappropriation of public funds and reporting of inaccurate amounts to those charged with governance.

Recommendation: The County should strengthen internal controls to ensure that bank statements are reconciled in a timely manner to the accounting records and submitted to the Board of Supervisors for their approval or acceptance.

GREENE COUNTY, MISSISSIPPI

Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2022

Views of Responsible  
Official(s):

The Auditee's Corrective Action Plan on pages 79-81 lists the County's response to the finding.

Purchase Clerk and Board of Supervisors

Significant Deficiency

2022-004. The Purchase Clerk and Board of Supervisors should maintain adequate internal controls over purchasing to ensure compliance with various purchasing requirements mandated by state statute.

Repeat Finding: Yes, 2021-006.

Criteria: *Section 31-7-111, Mississippi Code of 1972 Annotated*, requires the purchase clerk to maintain custody of supporting documentation for purchases of the County and deems the documentation to be public record which shall be made available for inspection during reasonable hours to any person requesting the same.

*Section 31-7-13, Mississippi Code of 1972 Annotated*, known as the *Mississippi Purchasing Laws* requires the County to comply with the purchasing requirements in accordance with state statutes. In addition, management is responsible for establishing a proper internal control system to ensure a strong financial accountability and safeguarding of assets.

Condition: The County's internal control procedures are inadequate to ensure it fulfills its present internal controls over purchasing and accounts payable and to ensure compliance with state laws over purchasing and accounts payable. As a result of our statistically valid random sample of forty non-payroll expenditures, our test of large expenditures and unrecorded liabilities, we observed the following instances where the County did not fulfill its present internal control system over purchasing and accounts payable or comply with state statutes.

- Twenty-seven instances where expenditures below \$2,000 were not approved by the appropriate department head.
- Four instances where invoices dated prior to year-end were not properly accrued in accounts payable (\$343,547).
- One instance where the Board did not approve a payment to a vendor in the amount of two hundred fifty thousand dollars (\$250,000).

Cause: The County lacks the necessary internal control procedures to ensure that it fulfills its present internal control system and to ensure compliance with state statutes over purchasing.

Effect: Due to an inadequate internal control system in place over purchasing and accounts payable, the County did not fulfill its internal control system over purchasing and accounts payable and comply with certain state laws over purchasing. Failure to implement additional internal controls to ensure it fulfills its present internal control system over purchasing and accounts payable could result in improper payments to vendors, theft of assets, and/or misappropriation of funds.

Recommendation: The Purchase Clerk and the Board of Supervisors should implement additional internal controls to ensure that it fulfills its present internal control system over purchasing and accounts payable and complies with state statutes.

Views of Responsible  
Official(s):

The Auditee's Corrective Action Plan on pages 79-81 lists the County's response to the finding.

GREENE COUNTY, MISSISSIPPI

Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2022

Payroll Clerk and Board of Supervisors

Significant Deficiency

2022-005. Internal controls over the payroll function should be strengthened.

Repeat Finding: Yes, 2021-008.

Criteria: An effective system of internal control over payroll should include keeping accurate and complete records of each employee's work hours and compensation. According to the current employee handbook compensation policy, paychecks or compensation for work performed in the pay period and all timesheets should be signed by both the employee and the supervisor/department head.

Condition: As reported in the prior year audit reports, we observed the following weaknesses in the internal control system over payroll disbursements as part of our statistically valid random sample of twenty-five payroll transactions:

- Four instances where timesheets/timecards were not signed by the employee and/or the department head.
- Five instances where there was no documentation of board approval of employees' pay rates.
- One instance where an employee was paid a hourly rate of pay higher than was approved by the Board.
- One instance where a garnishment was withheld from an employee's wages two times in the same pay period.
- Two instances where employees who were eligible for retirement did not have retirement properly withheld from their wages.
- One instance where an employee's personnel file along with the necessary employee authorizations could not be located.

Cause: The County lacks the necessary internal control procedures to ensure that the necessary authorizations are obtained from the Board of Supervisors, department managers or employee for employee pay rates and employee withholding authorizations and that payroll is properly documented.

Effect: The failure to establish the proper internal control system over all payroll functions could result in unauthorized and inaccurate payroll checks being processed, as well as increases the possibility of misappropriation or loss of public funds.

Recommendation: The Board of Supervisors should strengthen internal controls to ensure that current policies as found in the County's employee handbook are followed and implement any new policies as considered necessary to ensure that payroll is accurate, properly authorized, complete, and issued only on the authorized pay date.

Views of Responsible Official(s): The Auditee's Corrective Action Plan on pages 79-81 lists the County's response to the finding.

Justice Court Clerk

Significant Deficiency

2022-006. Internal controls over the justice court receipts should be strengthened.

Repeat Finding: No

**GREENE COUNTY, MISSISSIPPI**

**Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2022**

**Criteria:** Sections 7-7-211(b) Mississippi Code Ann. (1972), states that the Office of State Auditor shall have the power and it shall be its duty to provide best practices, for all public offices of regional and local subdivisions of the state, systems of accounting, budgeting and reporting financial facts relating to said offices in conformity with legal requirements and with generally accepted accounting principles or other accounting principles as promulgated by nationally recognized professional organizations; to assist such subdivisions in need of assistance in the installation of such systems; to revise such systems when deemed necessary, and to report to the Legislature at periodic times the extent to which each office is maintaining such systems, along with such recommendations to the Legislature for improvement as seem desirable.

As part of the power given to the department, the Office of State Auditor has established the “County Financial Manual” which requires justice court to complete a “Daily Check-Up” sheet which compares for each day’s receipts (cash, checks and money orders) as reported on the cash receipts report and compares each category to the amounts on hand at the end of each business day for each cash drawer with any difference reported as cash over or short.

After the “Daily Check-Up” sheet is completed and signed by the clerk or deputy clerk and the verifier then a daily bank deposit should be prepared and made that agrees with the daily receipts of the amounts collected in cash, checks and money orders reported on the daily receipt report. Each type of receipt listed on the daily receipts report should agree with the amounts deposited in the bank by the type of receipt.

**Condition:** We observed the following weaknesses in justice court’s internal control system over cash receipts as part of our statistically valid random sample of twenty-five justice court receipts:

- Twenty-one instances where the “Daily Check-Up” was not signed by the deputy clerk.
- Fourteen instances where the “Daily Check-Up” was not signed by the clerk as the verifier.
- Sixteen instances where the cash count portion of the form was not completed.

**Cause:** Unknown

**Effect:** The failure to properly perform and verify the “Daily Check-Up” sheet and ensure that it agrees to the daily deposit could result in the possibility of the loss or misappropriation of public funds and reporting of inaccurate amounts to those charged with governance.

**Recommendation:** Justice Court should immediately implement the system of internal control as recommended in the “County Financial Manual”.

**Views of Responsible Official(s):** The Auditee’s Corrective Action Plan on pages 79-81 lists the County’s response to the finding.

**Section 3: Federal Award Findings and Questioned Costs**

**Significant Deficiency**

2022-007. **Written internal controls over the federal compliance requirements should be developed in accordance with federal regulations.**

**Federal Program:** 21.027 – Coronavirus State and Local Fiscal Recovery Funds

**GREENE COUNTY, MISSISSIPPI**

**Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2022**

<b>Criteria:</b>	<p><b>2022 Compliance Supplement, Assistance Listing 21.027 – Coronavirus State and Local Fiscal Recovery Funds, Section III – Compliance Requirements I(2) – Suspension and Debarment</b> states the following: Prior to entering into subawards and contracts with award funds, recipients must verify that such contractors and subrecipients are not suspended, debarred, or otherwise excluded pursuant to 31 CFR section 19.300.</p> <p>The <b>2023 Compliance Supplement</b> states the following: Non-federal entities and auditors should be aware that the Uniform Guidance also includes requirements for non-federal entities to have written policies or procedures supporting compliance with certain compliance requirements. The areas of procurement and subrecipient monitoring are examples of compliance requirements that contain such requirements.</p> <p><b>2 CFR 200.319(d)</b> The non-Federal entity must have written procedures for procurement transactions. These procedures must ensure that all solicitations:</p> <p>(1) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such a description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product, or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equivalent” description may be used to define the performance or other salient requirements of procurement. The specific features of the named brand which must be met by offers must be clearly stated; and (2) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.</p> <p><b>Debarment and Suspension (Executive Orders 12549 and 12689)</b>—A contract award (see 2 CFR 180.220) must not be made to parties listed on the governmentwide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549.</p>
<b>Condition:</b>	<p>As part of our procedures on program expenditures we inquired of the comptroller and county engineer if the County performed the required suspension and debarment procedures as part of its contracting process to ensure that the bidders had not been suspended or debarred from performing work on federal contracts, and they stated that they had not performed those procedures as required by Title 2 of the <i>U.S. Code of Federal Regulations</i>.</p>
<b>Cause:</b>	<p>The County does not have written policies and procedures as required by various sections of Title 2 of the <i>U.S. Code of Federal Regulations</i> to ensure that it fulfills the compliance requirements for federal grants as listed in the Office of Management and Budget (OMB) Compliance Supplement.</p>
<b>Questioned Costs:</b>	<p>None</p>
<b>Perspective:</b>	<p>One hundred percent test of federal expenditures. As part of our audit procedures, we performed additional procedures to determine that the successful bidder was not on the suspension/debarment list.</p>

**GREENE COUNTY, MISSISSIPPI**

**Schedule of Findings and Questioned Costs  
For the Year Ended September 30, 2022**

**Effect:** Failure to develop and implement written policies and procedures by the County to ensure that it fulfills requirements contained in OMB's Compliance Supplement could cause material noncompliance which could result in questioned costs that could require the County to reimburse federal funds due to noncompliance. It also could result in a loss or misappropriation of public assets.

**Recommendation:** We recommend that the County develop and implement written internal control policies and procedures as required by Title 2 of the *U.S. Code of Federal Regulations* to ensure that it fulfills the requirements of the OMB's Compliance Supplement.

**Views of Responsible Official(s):** The Auditee's Corrective Action Plan on pages 79-81 lists the County's response to the finding.



# Greene County, Mississippi

## OFFICE OF THE CHANCERY CLERK

Michelle D. Eubanks  
Chancery Clerk

### CORRECTIVE ACTION PLAN

Greene County respectfully submits the following corrective action plan for the year ended September 30, 2022.

#### **Section 2: Financial Statement Findings.**

Finding 2022-001.

Corrective Action: **The Inventory Clerk and Board of Supervisors have worked to establish procedures and controls to ensure compliance with statutes and to maintain an accurate inventory system and related documentation.**

Responsible Parties: Linda Fallon, Inventory Clerk  
Michelle Eubanks, Chancery Clerk

Anticipated Completion Date: Same has been implemented.

Finding 2022-002.

Corrective Action: **Procedures have been put in place to ensure restricted cash accounts and proceeds from bonded debt are recorded timely and properly.**

Responsible Parties: Tyson Moreno, Comptroller  
Michelle Eubanks, Chancery Clerk

Anticipated Completion Date: Same has been implemented.

Finding 2022-003.

Corrective Action: **Bank statements will be reconciled in a timely manner, and controls/check and balances have been put in place to ensure same is done in a timely manner.**

Responsible Parties: Tyson Moreno, Comptroller  
Michelle Eubanks, Chancery Clerk

Anticipated Completion Date: Same has been implemented.

Finding 2022-004.

Corrective Action: **Internal controls have been implemented to ensure purchasing procedures are done in compliance with state statute.**

Responsible Parties: Kristin Odom, Purchase Clerk  
Tyson Moreno, Comptroller  
Michelle Eubanks, Chancery Clerk

Anticipated Completion Date: Same has been implemented.

Finding 2022-005.

Corrective Action: **A system and controls have been implemented to keep accurate and comprehensive records of employee's work hours and compensation in payroll.**

Responsible Parties: Linda Fallon, Payroll Clerk  
Tyson Moreno, Comptroller  
Michelle Eubanks, Chancery Clerk

Anticipated Completion Date: Same has been implemented.

Finding 2022-006.

Corrective Action: **A system of controls and checks and balances regarding receipts has been implemented to perform and verify the check-up sheet and ensure it is in agreement with justice court daily deposits to verify all funds are deposited accurately and timely.**

Responsible Parties: Victoria Moss, Justice Court Clerk

Anticipated Completion Date: Immediately

**Section 3: Federal Award Findings.**

Finding 2022-007.

Corrective Action: **Written internal controls will be developed in accordance with federal regulations.**

Responsible Parties: Tyson Moreno, Comptroller  
Michelle Eubanks, Chancery Clerk

Anticipated Completion Date: Immediately

Sincerely,



Michelle Eubanks  
Chancery Clerk



# Greene County, Mississippi

## OFFICE OF THE CHANCERY CLERK

Michelle D. Eubanks  
Chancery Clerk

### SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

As required by 2 CFR 200.511(b), Greene County has prepared the following Summary Schedule of Prior Year Audit Findings as of September 30, 2022.

<u>Finding</u>	<u>Status</u>
2021-001	Not corrected. See Finding 2022-001. A new fixed asset manager was hired in March 2023 to facilitate the removal of this finding.
2021-002	Finding cleared.
2021-003	Not corrected. See Finding 2022-002. We are beginning to implement procedures to perform reconciliations monthly.
2021-004	Finding cleared.
2021-005	Not corrected. See Finding 2022-003. As of October 2022, the bank statements are being reconciled monthly.
2021-006	Not corrected. See Finding 2022-004. We are implementing procedures to ensure all adjustments are submitted to the board for approval.
2021-007	Finding cleared.
2021-008	Not corrected. See Finding 2022-005. We are in the process of implementing stronger procedures over payroll to remove this finding.

Sincerely,

A handwritten signature in black ink that reads "Michelle Eubanks".

Michelle Eubanks,  
Chancery Clerk