



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

GRENADA COUNTY, MISSISSIPPI
Audited Financial Statements and Special Reports
For the Year Ended September 30, 2022



GRENADA COUNTY

TABLE OF CONTENTS

FINANCIAL SECTION.....	2
INDEPENDENT AUDITOR'S REPORT.....	3
FINANCIAL STATEMENTS.....	7
Statement of Net Position	8
Statement of Activities.....	9
Balance Sheet - Governmental Funds.....	10
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	11
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	13
Statement of Fiduciary Net Position	14
Statement of Changes in Fiduciary Net Position.....	15
Notes to Financial Statements	16
REQUIRED SUPPLEMENTARY INFORMATION	36
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) – General Fund.....	37
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis) – Coronavirus Fiscal Recovery Fund.....	38
Schedule of the County's Proportionate Share of the Net Pension Liability	39
Schedule of County Contributions	40
Notes to the Required Supplementary Information.....	41
SUPPLEMENTARY INFORMATION	45
Schedule of Expenditures of Federal Awards.....	46
Reconciliation of Operating Costs of Solid Waste.....	47
OTHER INFORMATION	48
Schedule of Surety Bonds for County Officials.....	49
SPECIAL REPORTS.....	50
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	51
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance Required by Uniform Guidance	53
Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules (Required By <i>Section 31-7-115,</i> <i>Mississippi Code of 1972 Annotated</i>)	56
Limited Internal Control and Compliance Review Management Report.....	61
SCHEDULE OF FINDINGS AND QUESTIONED COSTS	63
AUDITEE'S CORRECTIVE ACTION PLAN AND SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS	66

GRENADA COUNTY

FINANCIAL SECTION



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

3528 MANOR DRIVE
VICKSBURG, MISSISSIPPI 39180

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

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

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Grenada County, Mississippi

Report on the Audit of the Financial Statements

Adverse and Unmodified Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Grenada 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.

Adverse Opinion on Aggregate Discretely Presented Component Units

In our opinion, because of the significance of the matter discussed in the Basis for Adverse and Unmodified Opinions section of our report, the accompanying financial statements referred to above do not present fairly the financial position of the aggregate discretely presented component units of Grenada County, Mississippi, as of September 30, 2022, or the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions on Governmental Activities, Each Major Fund and the 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 governmental activities, each major fund and the aggregate remaining fund information of Grenada County, Mississippi, as of September 30, 2022, and the respective changes in financial position thereof for the year then ended in accordance with accounting principle generally accepted in the United States of America.

Basis for Adverse 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 adverse and unmodified opinions.

Matters Giving Rise to Adverse Opinion on the Aggregate Discretely Presented Component Units

The financial statements do not include financial data for the County's legally separate component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units. The County has not issued such reporting entity financial statements. The effects of not including the County's legally separate component units on the aggregate discretely presented component units has not been determined.

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

Grenada 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 Grenada County, Mississippi's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the accompanying Reconciliation of Operating Costs of Solid Waste are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the Reconciliation of Operating Costs of Solid Waste are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, 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 February 14, 2024 on our consideration of Grenada 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 Grenada 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 Grenada County, Mississippi's internal control over financial reporting and compliance.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, MS
February 14, 2024

GRENADA COUNTY

FINANCIAL STATEMENTS

GRENADA COUNTY
Statement of Net Position
September 30, 2022

Exhibit 1

	<u>Primary Government</u> <u>Governmental</u> <u>Activities</u>
ASSETS	
Cash	\$ 21,843,002
Property tax receivable	11,222,853
Accounts receivable (net of allowance for uncollectibles of \$382,505)	66,253
Fines receivable (net of allowance for uncollectibles of \$673,603)	159,783
Lease receivable	191,538
Intergovernmental receivables	478,768
Other receivables	83,118
Capital assets:	
Land and construction in progress	3,335,121
Other capital assets, net	39,533,744
Total Assets	<u>76,914,180</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	1,329,918
Deferred amount on refunding	4,478
Total Deferred Outflows of Resources	<u>1,334,396</u>
LIABILITIES	
Claims payable	841,240
Intergovernmental payables	361,807
Unearned revenue	3,924,236
Amounts held in custody for others	211,507
Long-term liabilities	
Due within one year:	
Capital debt	444,314
Non-capital debt	165,000
Due in more than one year:	
Capital debt	3,012,611
Non-capital debt	1,566,285
Net pension liability	11,900,431
Total Liabilities	<u>22,427,431</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	18,741
Property tax for future reporting periods	11,265,887
Deferred inflows related to leases	191,538
Total Deferred Inflows of Resources	<u>11,476,166</u>
NET POSITION	
Net investment in capital assets	39,411,940
Restricted for:	
Expendable:	
General government	310,821
Public safety	466,647
Public works	8,185,859
Economic development and assistance	2,913,267
Debt service	291,076
Unrestricted	(7,234,631)
Total Net Position	<u>\$ 44,344,979</u>

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

GRENADA COUNTY
Statement of Activities
For the Year Ended September 30, 2022

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ 4,382,556	540,378	272,313		(3,569,865)
Public safety	4,498,714	571,236	296,542	141,411	(3,489,525)
Public works	7,379,847	628,861	3,304,770	1,406,536	(2,039,680)
Health and welfare	161,876		102,895		(58,981)
Culture and recreation	108,000				(108,000)
Education	24,000				(24,000)
Conservation of natural resources	95,090				(95,090)
Economic development and assistance	618,334		25,425	1,098,770	505,861
Interest on long-term debt	52,922				(52,922)
Pension expense	1,107,764				(1,107,764)
Total Governmental Activities	<u>18,429,103</u>	<u>1,740,475</u>	<u>4,001,945</u>	<u>2,646,717</u>	<u>(10,039,966)</u>
General revenues:					
Property taxes				\$ 10,482,572	
Road & bridge privilege taxes				279,053	
Grants and contributions not restricted to specific programs				1,062,510	
Unrestricted interest income				45,508	
Miscellaneous				<u>1,336,216</u>	
Total General Revenues				<u>13,205,859</u>	
Changes in Net Position					<u>3,165,893</u>
Net Position - Beginning, as previously reported					40,875,810
Prior period adjustment					<u>303,276</u>
Net Position - Beginning, as restated					<u>41,179,086</u>
Net Position - Ending				\$	<u><u>44,344,979</u></u>

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

GRENADA COUNTY
Balance Sheet - Governmental Funds
September 30, 2022

Exhibit 3

	Major Funds			
	General Fund	Coronavirus Fiscal Recovery Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash	\$ 5,513,438	3,884,215	12,445,349	21,843,002
Property tax receivable	7,185,228		4,037,625	11,222,853
Accounts receivable (net of allowance for uncollectibles of \$382,505)			66,253	66,253
Fines receivable (net of allowance for uncollectibles of \$673,603)	159,783			159,783
Lease receivable	191,538			191,538
Intergovernmental receivables	391,964		86,804	478,768
Other receivables	78,030		5,088	83,118
Due from other funds	6,190		81,341	87,531
Total Assets	<u>\$ 13,526,171</u>	<u>3,884,215</u>	<u>16,722,460</u>	<u>34,132,846</u>
LIABILITIES				
Liabilities:				
Claims payable	\$ 245,376		595,864	841,240
Intergovernmental payables	361,807			361,807
Due to other funds	81,341		6,190	87,531
Unearned revenue		3,881,998	85,272	3,967,270
Amounts held in custody for others	211,507			211,507
Total Liabilities	<u>900,031</u>	<u>3,881,998</u>	<u>687,326</u>	<u>5,469,355</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue - property taxes	7,185,228		4,037,625	11,222,853
Unavailable revenue - accounts receivable			66,253	66,253
Unavailable revenue - fines	159,783			159,783
Unavailable revenue - leases	191,538			191,538
Total Deferred Inflows of Resources	<u>7,536,549</u>	<u>0</u>	<u>4,103,878</u>	<u>11,640,427</u>
Fund balances:				
Restricted for:				
General government		2,217	308,604	310,821
Public safety			466,647	466,647
Public works			8,119,606	8,119,606
Debt service			291,076	291,076
Committed to:				
Economic development and assistance			2,913,267	2,913,267
Unassigned	5,089,591		(167,944)	4,921,647
Total Fund Balances	<u>5,089,591</u>	<u>2,217</u>	<u>11,931,256</u>	<u>17,023,064</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 13,526,171</u>	<u>3,884,215</u>	<u>16,722,460</u>	<u>34,132,846</u>

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

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

Exhibit 3-1

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 17,023,064
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 \$64,700,424.	42,868,865
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	226,036
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(5,188,210)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(11,900,431)
Deferred amount on refunding	4,478
Deferred outflows and inflows of resources related to pension benefits are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	1,329,918
Deferred inflows of resources related to pensions	(18,741)
Total Net Position - Governmental Activities	\$ <u><u>44,344,979</u></u>

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

GRENADA COUNTY

Exhibit 4

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Year Ended September 30, 2022

	Major Funds			
	General Fund	Coronavirus Fiscal Recovery Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 5,871,019		4,611,553	10,482,572
Road and bridge privilege taxes			279,053	279,053
Licenses, commissions and other revenue	310,608		136,422	447,030
Fines and forfeitures	189,469		41,608	231,077
Intergovernmental revenues	1,418,456		6,292,716	7,711,172
Charges for services	391,656		661,111	1,052,767
Interest income	37,394	1,499	6,615	45,508
Miscellaneous revenues	1,391,805		119,254	1,511,059
Total Revenues	9,610,407	1,499	12,148,332	21,760,238
EXPENDITURES				
Current:				
General government	4,103,024		544,543	4,647,567
Public safety	3,568,855		986,504	4,555,359
Public works	31,096		8,213,862	8,244,958
Health and welfare	153,934			153,934
Culture and recreation	108,000			108,000
Education	24,000			24,000
Conservation of natural resources	95,090			95,090
Economic development and assistance	97,050		628,564	725,614
Debt service:				
Principal			631,974	631,974
Interest			66,935	66,935
Total Expenditures	8,181,049	0	11,072,382	19,253,431
Excess of Revenues over (under) Expenditures	1,429,358	1,499	1,075,950	2,506,807
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets			46,302	46,302
Transfers in	1,551		1,775,307	1,776,858
Transfers out	(1,775,307)		(1,551)	(1,776,858)
Lease principal payments	23,643			23,643
Total Other Financing Sources and Uses	(1,750,113)	0	1,820,058	69,945
Net Changes in Fund Balances	(320,755)	1,499	2,896,008	2,576,752
Fund Balances - Beginning, as previously reported	5,410,346	718	8,731,972	14,143,036
Prior period adjustment			303,276	303,276
Fund Balances - Beginning, as restated	5,410,346	718	9,035,248	14,446,312
Fund Balances - Ending	\$ 5,089,591	2,217	11,931,256	17,023,064

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

GRENADA COUNTY

Exhibit 4-1

Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2022

	Amount
Net Changes in Fund Balances - Governmental Funds	\$ 2,576,752
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlays of \$2,078,623 exceeded depreciation of \$1,707,337 in the current period.	371,286
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 gains of \$16,695 and the proceeds from the sale of \$46,302 in the current period.	(29,607)
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.	29,374
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.	(19,773)
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount of debt repayments of \$631,974.	631,974
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:	
Change in accrued interest payable	5,647
The amortization of:	
Premiums on bonds	8,888
Deferred amount on refunding bonds	(522)
Some items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recording of pension expense for the current period	(1,107,764)
Recording of contributions made during the year	699,638
Change in Net Position of Governmental Activities	\$ 3,165,893

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

GRENADA COUNTY
Statement of Fiduciary Net Position
September 30, 2022

Exhibit 5

	Private-purpose Trust Funds	Custodial Funds
ASSETS		
Cash and investments	\$ 121,965	59,222
Total Assets	<u>\$ 121,965</u>	<u>59,222</u>
LIABILITIES		
Other liabilities	\$	45,359
Intergovernmental payables		13,863
Total Liabilities	<u>\$ 0</u>	<u>59,222</u>
NET POSITION		
Restricted for:		
Individuals, organizations and other governments	\$ 121,965	
Total Net Position	<u>121,965</u>	<u>0</u>

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

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

Exhibit 6

	Private-purpose Trust Funds	Custodial Funds
ADDITIONS		
Collections on behalf of individuals	\$	79,115
Assessments of fines for other governments		254,350
Total Additions	0	333,465
DEDUCTIONS		
Payment of collections on behalf of individuals		79,115
Payments of assessments of fines to other governments		254,350
Total Deductions	0	333,465
Net increase (decrease) in fiduciary net position	0	0
Net Position - Beginning	121,965	
Net Position - Ending	\$ 121,965	0

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

GRENADA COUNTY

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

(1) Summary of Significant Accounting Policies.

A. Financial Reporting Entity.

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

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

- Grenada Lake Medical Center
- Greater Grenada Partnership
- Elizabeth Jones Library

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 inter-fund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues.

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

GRENADA COUNTY

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

expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements:

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

C. Measurement Focus and Basis of Accounting.

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

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

The County reports the following major Governmental Funds:

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

Coronavirus Fiscal Recovery Fund – This fund is used to account for monies received from the federal government to address issues resulting from COVID-19.

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.

GRENADA COUNTY

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

FIDUCIARY FUND TYPES

Private-purpose Trust Funds - These funds are used to report all trust arrangements, other than those properly reported elsewhere, under which the principal and income benefit individuals, private organizations or other governments.

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. Interfund receivables and payables between funds within governmental activities are eliminated in the Statement of Net Position

H. Capital Assets.

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

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

GRENADA COUNTY

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

statements. Depreciation is calculated on the straight-line basis for all assets, except land. A full year's depreciation expense is taken for all purchases and sales of capital assets during the year. The following schedule details those thresholds and estimated useful lives:

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

I. 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 and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

Deferred amount on refunding – In a refunding of debt, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources or deferred inflow of resources and recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

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 and so will not be recognized as an inflow of resources (revenue) until that time.

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

Property tax for future reporting period/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 – 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 a time that the revenue becomes available.

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

GRENADA COUNTY

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

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.

J. 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 Federal Prime Borrowing Rate in effect at the date of the lease inception to calculate the present value of lease payments when the rate implicit in the lease is not known.

K. Long-term Liabilities.

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

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

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

L. Pensions.

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

M. 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."

GRENADA COUNTY

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

Net Position Flow Assumption:

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

Fund Financial Statements:

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

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

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

Committed fund balance includes amounts that can be used only for specific purposes pursuant to constraints imposed by a formal action of the Board of Supervisors, the County's highest level of decision-making authority. This formal action is an order of the Board of Supervisors as approved in the board minutes.

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

Fund Balance Flow Assumption:

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

N. Property Tax Revenues:

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

The Board of Supervisors, each year at a meeting in September, levies property taxes for the ensuing fiscal year which begins on October 1. Real property taxes become a lien on January 1 of the current year, and personal property taxes become a lien on March 1 of the current year. Taxes

GRENADA COUNTY

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

on both real and personal property, however, are due on or before February 1 of the next succeeding year. Taxes on motor vehicles and mobile homes become a lien and are due in the month that coincides with the month of original purchase.

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

O. Intergovernmental Revenues in Governmental Funds.

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

P. 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) Prior Period Adjustments.

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

Exhibit 2 – Statement of Activities – Governmental Activities.

<u>Explanation</u>	<u>Amount</u>
To correct errors in unearned revenue	\$ <u>303,276</u>
Total prior period adjustments	\$ <u><u>303,276</u></u>

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

<u>Explanation</u>	<u>Amount</u>
Other Governmental Funds:	
To correct errors in unearned revenue	\$ <u>303,276</u>
Total prior period adjustments	\$ <u><u>303,276</u></u>

GRENADA COUNTY

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

(3) Deposits.

Deposits:

The carrying amount of the County's total deposits with financial institutions at September 30, 2022, was \$22,024,189, and the bank balance was \$22,048,121. 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.

(4) 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	\$ 6,190
Other Governmental Funds	General Fund	<u>81,341</u>
Total		<u>\$ 87,531</u>

The receivables represent the tax revenue collected in September, 2022, but not settled until October, 2022 and loans to cover negative cash balances. All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 1,551
Other Governmental Funds	General Fund	<u>1,775,307</u>
Total		<u>\$ 1,776,858</u>

The principal purpose of interfund transfers was to provide funds for county operations, to distribute escrow funds and to supply matching grant funds. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

GRENADA COUNTY

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

(5) Intergovernmental Receivables.

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

Description	Amount
Governmental Activities:	
Legislative tax credit	\$ 209,270
Hazard mitigation	41,315
Reimbursement for housing prisoners	79,728
Reimbursement for Sheriff Overtime - US Marshall	5,506
Highway planning and construction	21,935
Welfare reimbursement	14,836
Truck and bus privilege	2,242
Waste tire grant	2,666
Drug court	24,212
Patrolling Grenada Lake	5,910
Timber severance tax	513
Youth Court	2,000
Petroleum tax	44,798
Overload ad valorem	23,837
	<hr/>
Total Governmental Activities	\$ <u><u>478,768</u></u>

(6) Capital Assets.

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

GRENADA COUNTY

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

Governmental activities:

	Balance Oct. 1, 2021	Additions	Deletions	Adjustments*	Balance Sept. 30, 2022
<u>Non-depreciable capital assets:</u>					
Land	\$ 1,395,945	173,800			1,569,745
Construction in progress	516,196	1,249,180			1,765,376
Total non-depreciable capital assets	1,912,141	1,422,980	-	-	3,335,121
<u>Depreciable capital assets:</u>					
Infrastructure	65,539,034				65,539,034
Buildings	23,157,433				23,157,433
Improvements other than buildings	3,935,797				3,935,797
Mobile equipment	8,375,522	398,168	99,756	1,577,185	10,251,119
Furniture and equipment	1,093,310	257,475			1,350,785
Leased property under capital leases	1,577,185			(1,577,185)	-
Total depreciable capital assets	103,678,281	655,643	99,756	-	104,234,168
<u>Less accumulated depreciation for:</u>					
Infrastructure	43,072,582	492,499			43,565,081
Buildings	11,428,506	390,950			11,819,456
Improvements other than buildings	443,340	147,778			591,118
Mobile equipment	6,722,002	577,791	70,149	683,298	7,912,942
Furniture and equipment	713,508	98,319			811,827
Leased property under capital leases	683,298			(683,298)	-
Total accumulated depreciation	63,063,236	1,707,337	70,149	-	64,700,424
Total depreciable capital assets, net	40,615,045	(1,051,694)	29,607	-	39,533,744
Governmental activities capital assets \$	42,527,186	371,286	29,607	-	42,868,865

*Adjustments are a result of the implementation of GASB 87. Under the new guidance, leases that were previously reported as capital leases and whereby the asset conveys to the lessee at the conclusion of the lease, are now considered financed purchases. Since these assets are no longer leased assets, reclassifications have been made to report them in their respective category.

GRENADA COUNTY

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

Depreciation expense was charged to the following functions:

	<u>Amount</u>
Governmental activities:	
General government	\$ 114,805
Public safety	263,476
Public works	1,109,913
Health and welfare	7,942
Economic development and assistance	<u>211,201</u>
Total governmental activities depreciation expense	\$ <u><u>1,707,337</u></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>
Hugh White Road	\$ Undetermined	Undetermined
Milwaukee Electronic Tool Water-Sewer Project	Undetermined	Undetermined
American Way Road	Undetermined	Undetermined

(7) Claims and Judgments.

Risk Financing.

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

(8) Leases.

As Lessor:

On December 1, 2020, Grenada County entered into a lease agreement with Advanced Distributor Products for the lease of a building owned by the County. The lease stipulated that the lessee would pay

GRENADA COUNTY

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

approximately \$1,000 per year in lease payments commencing December 1, 2020 for a term of 5 years. At the end of the lease term, a new agreement will be required. The County is to receive \$1,000 in rent annually with an implicit interest rate of 4.00%.

On April 24, 2017, Grenada County entered into a lease agreement with McQuay/Modine for the lease of a building owned by the County. The lease stipulated that the lessee would pay approximately \$8,000 per year in lease payments commencing April 24, 2017 for a term of 10 years. At the end of the lease term, there is a right to renew for 10 years. The County is to receive \$8,000 in rent annually with an implicit interest rate of 4.00%.

On January 1, 2022, Grenada County entered into a lease agreement with Heritage Professional Group for the lease of equipment owned by the County. The lease stipulated that the lessee would pay approximately \$14,110 per year in lease payments commencing January 1, 2022 for a term of 7 years. At the end of the lease term, a new agreement will be required. The County is to receive \$14,110 in rent annually with an implicit interest rate of 4.00%.

On January 18, 2022, Grenada County entered into a lease agreement with Ole Corner Store for the lease of equipment owned by the County. The lease stipulated that the lessee would pay approximately \$768 per year in lease payments commencing January 18, 2022 for a term of 10 years. At the end of the lease term, a new agreement will be required. The County is to receive \$768 in rent annually with an implicit interest rate of 4.00%.

On January 1, 2018, Grenada County entered into a lease agreement with Provine Machine Works RBG for the lease of equipment owned by the County. The lease stipulated that the lessee would pay approximately \$1,400 per year in lease payments commencing January 1, 2018 for a term of 10 years. At the end of the lease term, a new agreement will be required. The County is to receive \$1,400 in rent annually with an implicit interest rate of 4.00%.

On February 5, 2019, Grenada County entered into a lease agreement with Provine Machine Works for the lease of equipment owned by the County. The lease stipulated that the lessee would pay approximately \$3,500 per year in lease payments commencing February 5, 2019 for a term of 10 years. At the end of the lease term, a new agreement will be required. The County is to receive \$3,500 in rent annually with an implicit interest rate of 4.00%.

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	\$ 21,117	7,661
2024	21,962	6,816
2025	22,841	5,937
2026	22,753	5,025
2027	23,664	4,114
2028 - 2032	50,163	10,519
2033 - 2037	<u>29,038</u>	<u>2,962</u>
Total	<u>\$ 191,538</u>	<u>43,034</u>

GRENADA COUNTY

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

(9) Long-term Debt.

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
A. General Obligation Bonds:			
Series 2021 Refunding Bonds	\$ 1,655,000	2.00%	05/2031
Total General Obligation Bonds	\$ 1,655,000		
B. Financed Purchases:			
Caterpillar Backhoe	\$ 1,193	2.44%	11/2022
John Deere Backhoe	2,040	2.44%	12/2022
John Deere Tractor & Mower	22,281	4.04%	02/2024
Excavator	51,482	3.92%	01/2024
2019 Ford F150	11,569	3.24%	12/2023
2020 Freightliner Truck	52,009	2.38%	01/2026
2022 M2106 Freightliner Truck	41,499	2.38%	07/2026
Caterpillar 420 Backhoe Loader	44,753	2.41%	12/2025
JD Tractor & Cutter	42,179	2.41%	07/2025
Caterpillar Backhoe Loaders	54,233	2.41%	06/2026
John Deere Tractor & Flex Wing	29,898	2.41%	07/2025
Caterpillar D5 Dozer	57,051	2.41%	07/2025
JD Mini Excavator	36,346	2.41%	07/2025
Total Financed Purchases	\$ 446,533		
C. Other Loans:			
Freight Rail Revolving Loan	\$ 3,010,392	0.00%	05/2034
Total Other Loans	\$ 3,010,392		

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

GRENADA COUNTY

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

Governmental Activities:

Year Ending September 30	General Obligation Bonds		Financed Purchases	
	Principal	Interest	Principal	Interest
2023	\$ 165,000	33,100	184,424	9,617
2024	165,000	29,800	131,116	4,791
2025	175,000	26,500	105,970	1,877
2026	180,000	23,000	25,023	178
2027	185,000	19,400	-	-
2028 - 2031	785,000	39,600	-	-
Total	\$ 1,655,000	171,400	446,533	16,463

Year Ending September 30	Other Loans	
	Principal	Interest
2023	\$ 259,890	-
2024	259,890	-
2025	259,890	-
2026	259,890	-
2027	259,890	-
2028 - 2032	1,299,450	-
2033 - 2034	411,492	-
Total	\$ 3,010,392	-

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 .70% of the latest property assessments.

GRENADA COUNTY

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

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	Adjustments	Balance Sept. 30, 2022	Amount due within one year
Governmental Activities:						
General obligation bonds	\$ 1,815,000		160,000		1,655,000	165,000
Add:						
Premiums	85,173		8,888		76,285	
Financed purchases			212,084	658,617	446,533	184,424
Capital leases	658,617			(658,617)	-	
Other loans	<u>3,270,282</u>	<u>-</u>	<u>259,890</u>	<u>-</u>	<u>3,010,392</u>	<u>259,890</u>
Total	<u>\$ 5,829,072</u>	<u>-</u>	<u>640,862</u>	<u>-</u>	<u>5,188,210</u>	<u>609,314</u>

(10) Defined Benefit Pension Plan.

General Information about the Pension Plan

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

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

GRENADA COUNTY

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

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 \$699,638, \$703,147 and \$674,082, 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 of \$11,900,431 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 0.057815% percent, which was based on a measurement date of June 30, 2022. This was an decrease of 0.001948 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.

For the year ended September 30, 2022, the County recognized pension expense of \$1,107,764. 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	\$ 170,356	-
Net difference between projected and actual earnings on pension plan investments	549,336	-
Changes of assumptions	425,458	-
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	-	18,741
County contributions subsequent to the measurement date	184,768	-
Total	\$ 1,329,918	18,741

\$184,768 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:

GRENADA COUNTY

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

Year ending September 30	Amount
2023	\$ 391,990
2024	268,258
2025	(179,588)
2026	645,749
Total	\$ <u>1,126,409</u>

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 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:

GRENADA COUNTY

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
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)
Total	100.00 %	

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	\$ 15,531,277	11,900,431	8,906,982

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

(11) Deficit Fund Balances of Individual Funds.

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

Fund	Deficit Amount
Milwaukee Electronic Tool DRA Grant Fund	\$ 116,361
Solid Waste Fund	20,725
Gore Springs Road Repair Fund	30,858

GRENADA COUNTY

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

(12) Contingencies.

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

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.

(13) Effect of Deferred Amounts on Net Position.

The governmental activities' unrestricted net position amount of (\$7,234,631) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflows of resources related to pensions in the amount of \$184,768 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 \$1,145,150 balance of the deferred outflows of resources related to pensions at September 30, 2022, will be recognized in pension expense over the next 4 years. The \$18,741 balance of the deferred inflows of resources related to pensions at September 30, 2022, will be recognized in pension expense over the next 3 years.

The governmental activities' unrestricted net position amount of (\$7,234,631) includes the effect of deferring the recognition of expenditures resulting from an advance refunding of County debt. The expense will be recognized over future years and will decrease the unrestricted net position.

The governmental activities' unrestricted net position amount of (\$7,234,631) includes the effect of recognition of deferring the recognition of revenue resulting from capital leases receivable. The \$191,538 balance of deferred inflows of resources at September 30, 2022, will be recognized as revenue and will increase the unrestricted net position over the next 15 years.

(14) Related Organizations.

The Grenada County Board of Supervisors is responsible for appointing a voting majority of the board members of the GT&Y Utility District, but the county's accountability for this organization does not exceed beyond making the appointments. The county did not appropriate any funds for the maintenance and support of the district in fiscal year 2022.

(15) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

The North Central Planning and Development District operates in a district composed of the counties of Attala, Carroll, Grenada, Holmes, Leflore, Montgomery and Yazoo. The Grenada County Board of Supervisors appoints four of the twenty-eight members of the district board of directors. The county appropriated \$49,500 for maintenance and support of the district in fiscal year 2022.

Holmes Community College operates in a district composed of the counties of Attala, Carroll, Choctaw, Grenada, Holmes, Madison, Montgomery, Webster and Yazoo. The Grenada County Board of Supervisors appoints 2 of the 22 members of the college's board of trustees. The county levied \$429,068 in taxes for maintenance and support of the college in fiscal year 2022.

GRENADA COUNTY

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

Mississippi Regional Housing Authority IV operates in a district composed of the counties of Carroll, Choctaw, Clay, Grenada, Lowndes, Montgomery, Oktibbeha, Webster and Winston. The Grenada County Board of Supervisors appoints one of the nine members of the board of commissioners. The county did not appropriate any funds for maintenance and support of the authority in fiscal year 2022.

Region Six Mental Health/Mental Retardation Center/Life Help operates in a district composed of the counties of Attala, Carroll, Grenada, Holmes, Humphreys, Leflore, Montgomery and Sunflower. The Grenada County Board of Supervisors appoints one of the eight members of the board of commissioners. The county appropriated \$35,881 for maintenance and support of the center in fiscal year 2022.

(16) Tax Abatements.

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

The Grenada County Board of Supervisors negotiates property tax abatements on an individual basis. All abatements are for 10 years and are for economic development purposes. The County had tax abatement agreements with fourteen entities as of September 30, 2022.

Section 27-31-34, Miss. Code Ann.(1972)

Lease contracts, leases or leaseholds

There are three companies that have abatements under this statute.

Section 27-31-101 through Section 27-31-117, Miss. Code Ann.(1972)

All allowable property tax levies

Payments in lieu of taxes

There are eleven companies that have abatements under these statutes.

<u>Category</u>	<u>Amount of taxes Abated during the Fiscal Year</u>
Additions to furniture, mobile equipment and inventory	\$341,170
Leasehold interest construction	241,022

(17) 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 Grenada County evaluated the activity of the County through February 14, 2024 and determined that no subsequent events occurred requiring disclosure in the notes to the financial statements.

GRENADA COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 6,216,903	5,875,841	5,875,841	0
Licenses, commissions and other revenue	228,100	246,799	246,799	0
Fines and forfeitures	138,500	192,606	192,606	0
Intergovernmental revenues	1,096,000	1,118,839	1,118,839	0
Charges for services	260,000	338,308	338,308	0
Interest income	30,300	32,384	32,384	0
Miscellaneous revenues	331,200	1,788,286	1,788,286	0
Total Revenues	<u>8,301,003</u>	<u>9,593,063</u>	<u>9,593,063</u>	<u>0</u>
EXPENDITURES				
Current:				
General government	5,413,907	4,118,718	4,118,718	0
Public safety	4,140,461	3,812,823	3,812,823	0
Public works	8,000	9,836	9,836	0
Health and welfare	191,211	153,405	153,405	0
Culture and recreation	108,000	108,000	108,000	0
Education	24,000	24,000	24,000	0
Conservation of natural resources	102,814	95,130	95,130	0
Economic development and assistance	89,500	98,500	98,500	0
Total Expenditures	<u>10,077,893</u>	<u>8,420,412</u>	<u>8,420,412</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>(1,776,890)</u>	<u>1,172,651</u>	<u>1,172,651</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		590,322	1,551	(588,771)
Transfers out	<u>(210,000)</u>	<u>(1,516,632)</u>	<u>(1,516,632)</u>	<u>0</u>
Total Other Financing Sources and Uses	<u>(210,000)</u>	<u>(926,310)</u>	<u>(1,515,081)</u>	<u>(588,771)</u>
Net Change in Fund Balance	<u>(1,986,890)</u>	<u>246,341</u>	<u>(342,430)</u>	<u>(588,771)</u>
Fund Balances - Beginning	<u>5,389,439</u>	<u>4,775,014</u>	<u>5,410,346</u>	<u>635,332</u>
Fund Balances - Ending	<u>\$ 3,402,549</u>	<u>5,021,355</u>	<u>5,067,916</u>	<u>46,561</u>

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

GRENADA COUNTY
 Budgetary Comparison Schedule -
 Budget and Actual (Non-GAAP Basis)
 Coronavirus Fiscal Recovery Fund
 For the Year Ended September 30, 2022
 UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$	2,015,999	2,015,999	0
Interest income		1,499	1,499	0
Total Revenues	<u>0</u>	<u>2,017,498</u>	<u>2,017,498</u>	<u>0</u>
EXPENDITURES				
Current:				
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>0</u>	<u>2,017,498</u>	<u>2,017,498</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Transfers out		(2,017,338)	(150,000)	1,867,338
Total Other Financing Sources and Uses	<u>0</u>	<u>(2,017,338)</u>	<u>(150,000)</u>	<u>1,867,338</u>
Net Change in Fund Balance	0	160	1,867,498	1,867,338
Fund Balances - Beginning	<u>2,016,208</u>	<u>3,884,055</u>	<u>718</u>	<u>(3,883,337)</u>
Fund Balances - Ending	<u>\$ 2,016,208</u>	<u>3,884,215</u>	<u>1,868,216</u>	<u>(2,015,999)</u>

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

GRENADA COUNTY

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>2015</u>
County's proportion of the net pension liability (asset)	0.057815%	0.059763%	0.058171%	0.057768%	0.057252%	0.064922%	0.059458%	0.059342%	0.060552%
County's proportionate share of the net pension liability (asset)	\$ 11,900,431	8,833,232	11,261,230	10,162,531	9,522,709	10,792,239	10,620,683	9,173,103	7,349,904
Covered payroll	\$ 4,020,920	4,041,069	3,873,523	3,785,622	3,691,962	3,965,599	3,803,651	3,707,333	3,700,057
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	295.96%	218.59%	290.72%	268.45%	257.93%	272.15%	279.22%	247.43%	198.64%
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

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

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

GRENADA COUNTY
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	\$ 699,638	703,147	674,082	611,580	581,485	628,843	627,675	590,754	587,655
Contributions in relation to the contractually required contribution	<u>699,638</u>	<u>703,147</u>	<u>674,082</u>	<u>611,580</u>	<u>581,485</u>	<u>628,843</u>	<u>627,675</u>	<u>590,754</u>	<u>587,655</u>
Contribution deficiency (excess)	<u>\$ 0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Covered payroll	\$ 4,020,908	4,041,073	3,874,034	3,781,897	3,691,968	3,992,654	3,985,238	3,750,819	3,731,143
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	16.17%	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.

GRENADA COUNTY
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 and each major Special Revenue Fund. The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) is a part of required supplementary information.

C. Budget/GAAP Reconciliation.

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

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

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

	<u>Governmental Fund Types</u>	
	<u>General Fund</u>	<u>Coronavirus Fiscal Recovery Fund</u>
Budget (Cash Basis)	\$ (342,430)	1,867,498
Increase (Decrease)		
Net adjustments for revenue accruals	40,987	(2,015,999)
Net adjustments for expenditure accruals	<u>(19,312)</u>	<u>150,000</u>
GAAP Basis	\$ <u><u>(320,755)</u></u>	<u><u>1,499</u></u>

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

Pension Schedules

A. Changes of assumptions.

2015

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

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

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

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

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

2016

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

2017

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

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

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

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

2019

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

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

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

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

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

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

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

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

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

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

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

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

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

2021

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

For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.

For females, 84% of female rates up to age 72, 100% for ages above 76.

Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

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

For males, 134% of male rates at all ages.

For females, 121% of female rates at all ages.

Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

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

For males, 97% of male rates at all ages.

For females, 110% of female rates at all ages.

Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 2.75% to 2.40%.

The wage inflation assumption was reduced from 3.00% to 2.65%.

The investment rate of return assumption was changed from 7.75% to 7.55%.

The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.

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

The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.

The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.

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

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

GRENADA COUNTY

SUPPLEMENTARY INFORMATION

GRENADA COUNTY
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
Community Facilities Loans and Grants Cluster:			
U.S. Department of Agriculture - Rural Development (Direct) Community Facilities Grant Loans and Grants	10.766		\$ <u>210,842</u>
Total Community Facilities Loans and Grants Cluster			<u>210,842</u>
Economic Development Cluster:			
U.S. Department of Commerce (Direct) Economic Development Administration Investments for Public Works and Economic Development Facilities	11.300		<u>17,595</u>
Total Economic Development Cluster			<u>17,595</u>
Highway Planning and Construction Cluster:			
U.S. Department of Transportation Passed through the Mississippi Department of Transportation Highway Planning and Construction	20.205	ER-0820-00(003)LPA	<u>891,478</u>
Total Highway Planning and Construction Cluster			<u>891,478</u>
Other Programs:			
U.S. Department of Agriculture (Direct) Rural Business Development Grant	10.351		98,770
U.S. Department of Defense Passed Through the Mississippi Emergency Management Agency Flood Control Projects	12.106	Unknown	39,197
U.S. Department of Justice Passed through the Mississippi Department of Public Safety Edward Byrne Memorial Justice Assistance Grant Program	16.738	20DC1221	104,249
U.S. Department of the Treasury Passed through the Mississippi Emergency Management Agency Coronavirus Relief Fund	21.019	Unknown	80,017
U.S. Department of Homeland Security Passed through the Mississippi Emergency Management Agency Disaster Grants-Public Assistance	97.036	FEMA-4429-DR-MS	13,418
Disaster Grants-Public Assistance	97.036	FEMA-4536-DR-MS	<u>5,830</u>
Total U.S. Department of Homeland Security			<u>19,248</u>
Total Expenditures of Federal Awards			\$ <u><u>1,461,396</u></u>

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Grenada 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 Grenada County, it is not intended to and does not present the financial position, changes in net position, or cash flows of Grenada County.

Note B - Summary of Significant Accounting Policies

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

Note C - Indirect Cost Rate

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

GRENADA COUNTY
Reconciliation of Operating Costs of Solid Waste
For the Year Ended September 30, 2022

Operating Expenditures, Cash Basis:

Personnel	\$	77,324
Expendable Commodities:		
Gasoline and petroleum products		11,429
Repair parts		16,984
Professional services		30,262
Insurance		2,466
Solid waste disposal fee		617,009
Supplies		<u>4,989</u>
Solid Waste Cash Basis Operating Expenditures		760,463
Full Cost Expenses:		
Indirect administrative costs		14,320
Depreciation on equipment		23,873
Net effect of other accrued expenses		<u>2,937</u>
Solid Waste Full Cost Operating Expenses	\$	<u><u>801,593</u></u>

GRENADA COUNTY

OTHER INFORMATION

GRENADA COUNTY

Schedule of Surety Bonds for County Officials

For the Year Ended September 30, 2022

UNAUDITED

Name	Position	Company	Bond
Michael Lott	County Supervisor - District 1	FCCI Insurance Group	100,000
Timothy C. Bridges	County Supervisor - District 2	FCCI Insurance Group	100,000
Christopher Colombus Hankins	County Supervisor - District 3	FCCI Insurance Group	100,000
Darrell Robinson	County Supervisor - District 4	FCCI Insurance Group	100,000
Chad Gray	County Supervisor - District 5	FCCI Insurance Group	100,000
Johnny Hayward	Chancery Clerk	FCCI Insurance Group	100,000
Michele Redditt	Circuit Clerk	FCCI Insurance Group	100,000
Leatha Faye Collins	Deputy Circuit Clerk	RLI Insurance Company	50,000
LaPorche Baker	Deputy Circuit Clerk	RLI Insurance Company	50,000
Jessica T. Westmoreland	Deputy Circuit Clerk	FCCI Insurance Group	100,000
Charles D. Melton	Tax Collector/Assessor	FCCI Insurance Group	100,000
Robyn Perry Hood	Deputy Tax Collector	FCCI Insurance Group	50,000
Tammy Lynn McRee	Deputy Tax Collector	RLI Insurance Company	50,000
Lisa K. Roberson	Deputy Tax Collector	FCCI Insurance Group	50,000
Jennifer Annemarie Williamson	Deputy Tax Collector	RLI Insurance Company	50,000
Monica Shipp	Deputy Tax Collector	RLI Insurance Company	50,000
Stephanie Bell	Deputy Tax Assessor	FCCI Insurance Group	10,000
Tanesha Harbin Wilson	Deputy Tax Assessor	RLI Insurance Company	50,000
Sherrie Jones	Deputy Tax Assessor	FCCI Insurance Group	10,000
Rolando Fair	Sheriff	FCCI Insurance Group	100,000
Vincent Marascalco	Justice Court Judge	RLI Insurance Group	50,000
Adam Kirk	Justice Court Judge	RLI Insurance Group	50,000
Leon Williamson	Justice Court Judge	FCCI Insurance Group	50,000
Judith H. Eldridge	Justice Court Clerk	FCCI Insurance Group	50,000
Lucille Shipp	Deputy Justice Court Clerk	FCCI Insurance Group	50,000
Jernesha Cladwell	Deputy Justice Court Clerk	RLI Surety	50,000
Alexander Farmer	Constable	RLI Insurance Company	50,000
Stephan Howell	Constable	FCCI Insurance Group	50,000
Vickie J. Conley	Purchase Clerk	Western Surety Company	100,000
Sherrie Jones	Assistant Purchasing Clerk	FCCI Insurance Group	50,000
Latania Johnson	Receiving Clerk	RLI Insurance Company	75,000
Bennie Rounds	Receiving Clerk	Western Surety Company	75,000
Jennifer Moore	Assistant Receiving Clerk	RLI Insurance Company	50,000
Casey Vance	Assistant Receiving Clerk	RLI Insurance Company	50,000
Lewis Henry Bradford	Assistant Receiving Clerk	RLI Insurance Company	50,000
David C. Marter	Assistant Receiving Clerk	FCCI Insurance Group	50,000
Charles L. Williams	Assistant Receiving Clerk	FCCI Insurance Group	50,000
David Jeffery Hughes	Assistant Receiving Clerk	FCCI Insurance Group	50,000
Charles Mansfield	Assistant Receiving Clerk	RLI Insurance Company	50,000
Jonathan Eric Fowler	Assistant Receiving Clerk	FCCI Insurance Group	50,000
Stephanie Bell	Assistant Receiving Clerk	RLI Insurance Company	50,000
Angela Mullen	Inventory Control Clerk	FCCI Insurance Group	75,000
Karl Howard Grubb	County Engineer	FCCI Insurance Group	50,000

GRENADA COUNTY

SPECIAL REPORTS



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

3528 MANOR DRIVE
VICKSBURG, MISSISSIPPI 39180

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

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

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

Members of the Board of Supervisors
Grenada 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, each major fund, and the aggregate remaining fund information of Grenada 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 February 14, 2024. Our report includes an adverse opinion on the aggregate discretely presented component units due to the omission of the discretely presented component units which are required by accounting principles generally accepted in the United States of America to be reported with the financial data of the County's primary government unless the County also issues financial statements for the financial reporting entity that include the financial data for its component units.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2022-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

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

We noted a certain matter that we reported to the management of Grenada County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated February 14, 2024, included within this document.

Grenada County's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on Grenada County, Mississippi's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. Grenada County, Mississippi's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, MS
February 14, 2024



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

3528 MANOR DRIVE
VICKSBURG, MISSISSIPPI 39180

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

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

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

Members of the Board of Supervisors
Grenada County, Mississippi

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Grenada 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 Grenada County, Mississippi's major federal program for the year ended September 30, 2022. Grenada 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, Grenada 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 programs 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 Grenada County, Mississippi's 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 Grenada 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 Grenada 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 Grenada 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 Grenada 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 Grenada 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 Grenada 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 Grenada 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.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, MS
February 14, 2024



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

3528 MANOR DRIVE
VICKSBURG, MISSISSIPPI 39180

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

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

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

Members of the Board of Supervisors
Grenada County, Mississippi

We have examined Grenada 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 Grenada 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 Grenada County, Mississippi, has established centralized purchasing for all funds of the County and has established an inventory control system. The objective of the central purchasing system is to provide reasonable, but not absolute, assurance that purchases are executed in accordance with state law.

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

In our opinion, Grenada 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.

This report is intended for use in evaluating Grenada County, Mississippi's compliance with the aforementioned requirements, and is not intended to be and should not be relied upon for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, MS
February 14, 2024

GRENADA COUNTY

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

Schedule 1

Our tests did not identify any purchases from other than the lowest bidder.

GRENADA COUNTY
Schedule of Emergency Purchases
For the Year Ended September 30, 2022

Schedule 2

Our tests did not identify any emergency purchases.

GRENADA COUNTY

Schedule 3

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

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



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

3528 MANOR DRIVE
VICKSBURG, MISSISSIPPI 39180

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

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

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Grenada County, Mississippi

In planning and performing our audit of the financial statements of Grenada County, Mississippi for the year ended September 30, 2022, we considered Grenada 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 Grenada County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the state legal compliance audit program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated February 14, 2024, on the financial statements of Grenada 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 a certain area that is an opportunity for strengthening internal controls and operating efficiency. Our finding, recommendation, and your response is disclosed below:

Tax Collector

1. The Tax Collector should ensure that assets are sufficient to settle all liabilities.

Repeat Finding Yes. 2021-3.

Criteria An effective system of accounting should ensure that all reported account balances are properly stated, and sufficient assets are available to extinguish all liabilities.

Condition During the course of our audit, we were made aware of a situation from 2009 involving the embezzlement of funds from the Tax Collector's account. Upon further discussion, we were made aware that there are uncertainties as to the reported balances of three ledger accounts. After further testing and analysis, we noted that the assets available for settlement of all liabilities were insufficient.

Cause	The Tax Collector did not ensure that all account balances were correctly stated.
Effect	Failure to properly account for all funds could result in the misappropriation of public funds or insufficient assets to settle all liabilities.
Recommendation	The Tax Collector should investigate the relevant account balances to ensure that they are accurately stated. We recommend that particular attention be paid to the replacement of removed funds, the listing of bad checks, and the short/over account.
Response	No response to the finding was provided.

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

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

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
 Certified Public Accountants
 Vicksburg, MS
 February 14, 2024

GRENADA COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

GRENADA COUNTY

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	Unmodified
Aggregate discretely presented component units	Adverse
General Fund	Unmodified
Coronavirus Fiscal Recovery Fund	Unmodified
Aggregate remaining fund information	Unmodified
2. Internal control over financial reporting:
 - a. Material weakness(es) identified? Yes
 - b. Significant deficiency(ies) identified? None reported
3. Noncompliance material to the financial statements noted? No

Federal Awards:

4. Internal control over major federal programs:
 - a. Material weakness(es) identified? No
 - b. Significant deficiency(ies) identified? None reported
5. Type of 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)? No
7. Identification of major federal programs:

ALN #20.205 - Highway Planning and Construction
8. Dollar threshold used to distinguish between type A and type B programs: \$750,000
9. Auditee qualified as low-risk auditee? No
10. Prior fiscal year audit finding(s) and questioned costs relative to federal awards which would require the auditee to prepare a summary schedule of prior audit findings in accordance with 2 CFR 200.511(b)? Yes

Section 2: Financial Statement Findings

Board of Supervisors

Material Weakness

2022-001 Component units should be included in the financial statements.

Repeat Finding Yes. 2021-001.

GRENADA COUNTY

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

Criteria	Generally accepted accounting principles require the financial data for the County's component units to be reported with the financial data of the County's primary government unless the county also issues financial statements for the financial reporting entity that include the financial data for its component units.
Condition	The financial statements do not include the financial data for the county's legally separate component units.
Cause	The County lacked the resources to include the audited financial statements of the component units.
Effect	The failure to properly follow generally accepted accounting principles resulted in an adverse opinion on the discretely presented component units.
Recommendation	The Board of Supervisors should provide the audited financial data for its discretely presented component units for inclusion in the County's financial statements.
View of Responsible Official(s)	See Auditee's Corrective Action Plan

Section 3: Federal Award Findings and Questioned Costs

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

GRENADA COUNTY

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



Grenada County Board of Supervisors

Post Office Box 1208 Grenada, MS 38902-1208
Telephone (662) 226-1821

Michael Irwin
District 1

Chad Bridges
District 2

Amos Jeffrey Johnson
District 3

Daniel Robinson
District 4

Chad Gray
District 5

Johnny L. Hayward, Clerk
Jay Gore, III, Attorney

Bridgers, Goodinan, Baird & Clarke, PLLC
Certified Public Accountants
3528 Manor Drive
Vicksburg, Mississippi 39180

To Whom It May Concern:

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

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

2022-001.


Corrective Action Planned:

We believe that the cost of compliance with the requirement to provide audited financial data for the County's component units outweighs the benefits to the County. Therefore, management has chosen to omit the audited financial data for the component units for inclusion in the County's financial statements.

Anticipated Completion Date:

Not applicable

Signature and Contact Person Responsible for Corrective Action:


Johnny L. Hayward
Chancery Clerk
Phone #662-226-1821



My Commission Expires January 3, 2028



Grenada County Board of Supervisors

Post Office Box 1208 Grenada, MS 38902-1208
Telephone (662) 226-1821

Michael Lott
District 1

Chad Bridges
District 2

Antes Jeffrey Johnson
District 3

Janell Robinson
District 4

Eric Gray
District 5

Johnny L. Howard, Clerk
Jay Gore, III, Attorney

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Bridgers, Goodman, Baird & Clarke, P.L.C.
Certified Public Accountants
3528 Manor Drive
Vicksburg, MS 39180

To Whom It May Concern:

The Grenada County Board of Supervisors respectfully submits the following summary schedule of prior audit findings.

The finding from the Schedule of Findings and Questioned Costs is discussed below. The finding is numbered consistently with the number assigned in the schedule.

2021-001. Component units should be included in the financial statements.

NOT CORRECTED

The Board of Supervisors believes that the cost of compliance with the requirement to provide audited financial data for the County's component units outweighs the benefits to the County. Therefore, management has chosen to omit the audited financial data for the component units for inclusion in the County's financial statements.

Sincerely,

President, Board of Supervisors



My Commission Expires January 3, 2028