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LEAKE COUNTY, MISSISSIPPI

Audited Financial Statements and Special Reports

For the Year Ended September 30, 2022



LEAKE COUNTY

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LEAKE COUNTY

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Leake County, Mississippi

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Leake 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.

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

Basis for 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 Statement 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 audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free of 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 Proportionate Share of the Net Pension

Liability, and Schedule of Pension 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 this 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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Leake County, Mississippi's basic financial statements. The accompanying Reconciliation of Operating Costs of Solid Waste is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying Reconciliation of Operating Costs of Solid Waste is the responsibility of management and was derived from and relates 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 Reconciliation of Operating Costs of Solid Waste is 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 June 27, 2023, on our consideration of Leake 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 Leake 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 Leake County, Mississippi's internal control over financial reporting and compliance.

Bridgers, Goodman, Baird & Clarke, PLLC

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

June 27, 2023

LEAKE COUNTY

FINANCIAL STATEMENTS

LEAKE COUNTY
Statement of Net Position
September 30, 2022

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash	\$ 16,883,176	695,633	17,578,809
Property tax receivable	5,071,968	-	5,071,968
Accounts receivable, net of allowance for uncollectibles of \$1,577,420	114,905	-	114,905
Fines receivable, net of allowance for uncollectibles of \$1,974,560	617,117	-	617,117
Intergovernmental receivables	232,493	227,985	460,478
Internal balances	127,956	(127,956)	-
Land and construction in progress	1,694,566	38,000	1,732,566
Other capital assets, net	15,654,442	2,766,505	18,420,947
Total Assets	40,396,623	3,600,167	43,996,790
Deferred Outflows of Resources			
Deferred outflows related to pension	1,541,486	513,829	2,055,315
Total Deferred Outflows of Resources	1,541,486	513,829	2,055,315
Liabilities			
Claims payable	510,752	38,864	549,616
Claims and judgments payable	-	-	-
Intergovernmental payables	187,094	-	187,094
Accrued interest payable	53,856	-	53,856
Amounts held in custody for others	629,001	-	629,001
Unearned revenue	4,156,427	-	4,156,427
Long-term liabilities			
Due within one year:			
Capital related debt	546,569	6,839	553,408
Non-capital debt	429,694	-	429,694
Due in more than one year:			
Capital related debt	5,542,175	21,480	5,563,655
Non-capital debt	501,230	84,511	585,741
Net pension liability	11,778,986	3,926,329	15,705,315
Total Liabilities	24,335,784	4,078,023	28,413,807
Deferred Inflows of Resources			
Deferred inflows related to pension	14,211	4,737	18,948
Property tax for future reporting period	5,071,968	-	5,071,968
Total deferred inflows of resources	5,086,179	4,737	5,090,916
Net Position			
Net investment in capital assets	11,260,264	2,776,186	14,036,450
Restricted:			
Expendable:			
General government	1,009,180	-	1,009,180
Debt service	29,743	-	29,743
Public safety	3,298,502	-	3,298,502
Public works	4,739,968	-	4,739,968
Culture and recreation	25,880	-	25,880
Economic development	484,350	-	484,350
Unrestricted	(8,331,741)	(2,744,950)	(11,076,691)
Total Net Position	\$ 12,516,146	31,236	12,547,382

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

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

Exhibit 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business Type Activities	
Primary government:							
Governmental activities:							
General government	\$ 3,718,459	486,215	531,331	-	(2,700,913)		(2,700,913)
Public safety	3,173,733	369,089	333,119	2,000,000	(471,525)		(471,525)
Public works	8,919,665	1,112,143	3,931,482	1,304,274	(2,571,766)		(2,571,766)
Health and welfare	141,239	-	28,886	-	(112,353)		(112,353)
Culture and recreation	224,218	-	68,951	-	(155,267)		(155,267)
Conservation of natural resources	104,623	-	-	-	(104,623)		(104,623)
Economic development and assistance	103,621	-	-	-	(103,621)		(103,621)
Interest on long-term debt	169,771	-	-	-	(169,771)		(169,771)
Pension expense	1,164,290	-	-	-	(1,164,290)		(1,164,290)
Total Governmental Activities	<u>17,719,619</u>	<u>1,967,447</u>	<u>4,893,769</u>	<u>3,304,274</u>	<u>(7,554,129)</u>		<u>(7,554,129)</u>
Business-type activities:							
Leake County Correctional Facility	3,949,445	3,507,080	15,940	-	-	(426,425)	(426,425)
Total Business-type Activities	<u>3,949,445</u>	<u>3,507,080</u>	<u>15,940</u>	<u>-</u>		<u>(426,425)</u>	<u>(426,425)</u>
Total Primary Government	<u>\$ 21,669,064</u>	<u>5,474,527</u>	<u>4,909,709</u>	<u>3,304,274</u>	<u>(7,554,129)</u>	<u>(426,425)</u>	<u>(7,980,554)</u>
General revenues:							
Property taxes				\$ 6,951,224	-		6,951,224
Road & bridge privilege taxes				256,969	-		256,969
Grants and contributions not restricted to specific programs				383,830	-		383,830
Unrestricted investment income				110,427	5,409		115,836
Miscellaneous				701,060	62,286		763,346
Gain (loss) on disposal of capital assets				277,295	(650)		276,645
Total General Revenues and Transfers				<u>8,680,805</u>	<u>67,045</u>		<u>8,747,850</u>
Changes in Net Position					<u>1,126,676</u>	<u>(359,380)</u>	<u>767,296</u>
Net Position - Beginning, as previously reported					<u>11,366,193</u>	<u>413,893</u>	<u>11,780,086</u>
Prior Period Adjustments					23,277	(23,277)	0
Net Position - Beginning, as restated					<u>11,389,470</u>	<u>390,616</u>	<u>11,780,086</u>
Net Position - Ending				\$	<u>12,516,146</u>	<u>31,236</u>	<u>12,547,382</u>

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

LEAKE COUNTY
Balance Sheet – Governmental Funds
September 30, 2022

Exhibit 3

	Major Funds					Other	Total
	General	American	County Road	2021 Road and	2022 Fire	Governmental	Governmental
	Fund	Rescue Plan	and Bridge	Bridge Special	Truck Grant	Funds	Funds
		Fund	Fund	Projects Fund	Fund		
ASSETS							
Cash	\$ 2,594,427	4,188,462	1,154,351	3,103,197	2,000,000	3,842,739	16,883,176
Property tax receivable	3,368,039	-	1,362,212	-	-	341,717	5,071,968
Accounts receivable, net of allowance for uncollectibles of \$1,577,420	-	-	-	-	-	114,905	114,905
Fines receivable, net of allowance for uncollectibles of \$1,974,560	617,117	-	-	-	-	-	617,117
Intergovernmental receivables	189,861	-	-	-	-	42,632	232,493
Advances to other funds	463,431	-	2,500	-	-	6,175	472,106
Due from other funds	36,200	-	55,290	-	-	75,717	167,207
Total Assets	<u>7,269,075</u>	<u>4,188,462</u>	<u>2,574,353</u>	<u>3,103,197</u>	<u>2,000,000</u>	<u>4,423,885</u>	<u>23,558,972</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Claims payable	135,515	-	29,774	-	-	345,463	510,752
Intergovernmental payables	187,094	-	-	-	-	-	187,094
Advances from other funds	-	-	226,175	-	-	154,175	380,350
Due to other funds	131,007	-	-	-	-	-	131,007
Amount held in custody for others	629,001	-	-	-	-	-	629,001
Unearned revenue	-	4,156,427	-	-	-	-	4,156,427
Total Liabilities	<u>1,082,617</u>	<u>4,156,427</u>	<u>255,949</u>	<u>-</u>	<u>-</u>	<u>499,638</u>	<u>5,994,631</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	3,368,039	-	1,362,212	-	-	341,717	5,071,968
Unavailable revenue - solid waste fees	-	-	-	-	-	114,905	114,905
Unavailable revenue - fines	617,117	-	-	-	-	-	617,117
Total Deferred Inflows of Resources	<u>3,985,156</u>	<u>-</u>	<u>1,362,212</u>	<u>-</u>	<u>-</u>	<u>456,622</u>	<u>5,803,990</u>
FUND BALANCES							
Nonspendable:							
Advances	463,431	-	-	-	-	-	463,431
Restricted for:							
General government	-	32,035	-	-	-	977,145	1,009,180
Public safety	-	-	-	-	2,000,000	1,298,502	3,298,502
Public works	-	-	956,192	3,103,197	-	680,579	4,739,968
Culture and recreation	-	-	-	-	-	25,880	25,880
Economic development	-	-	-	-	-	484,350	484,350
Debt service	-	-	-	-	-	83,599	83,599
Unassigned	1,737,871	-	-	-	-	(82,430)	1,655,441
Total Fund Balances	<u>2,201,302</u>	<u>32,035</u>	<u>956,192</u>	<u>3,103,197</u>	<u>2,000,000</u>	<u>3,467,625</u>	<u>11,760,351</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,269,075</u>	<u>4,188,462</u>	<u>2,574,353</u>	<u>3,103,197</u>	<u>2,000,000</u>	<u>4,423,885</u>	<u>23,558,972</u>

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

LEAKE COUNTY**Exhibit 3-1****Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
September 30, 2022**

	<u>Amount</u>
Total fund balance - Governmental Funds	\$ 11,760,351
Amounts reported for governmental services 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 \$11,005,288.	17,349,008
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	732,022
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(7,019,668)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(53,856)
Pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(11,778,986)
Deferred outflows and inflows of resources related to pension are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources related to pensions	1,541,486
Deferred inflows of resources related to pensions	(14,211)
Total Net Position - Governmental Activities	<u>\$ 12,516,146</u>

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

LEAKE 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	American Rescue Plan Fund	County Road and Bridge Fund	2021 Road and Bridge Special Projects Fund	2022 Fire Truck Grant Fund	Other Governmental Funds	Total Governmental Funds
REVENUES							
Property taxes	4,814,970	-	1,757,517	-	-	378,737	6,951,224
Road and bridge privilege taxes	-	-	256,969	-	-	-	256,969
Licenses, commissions and other revenue	251,189	-	-	-	-	86,942	338,131
Fines and forfeitures	290,357	-	-	-	-	273,426	563,783
Intergovernmental revenues	562,351	231,895	2,449,311	-	2,000,000	3,338,316	8,581,873
Charges for services	73,489	-	-	-	-	1,501,848	1,575,337
Interest income	19,580	19,344	13,081	26,213	-	32,209	110,427
Miscellaneous revenues	221,219	-	7,597	-	-	472,244	701,060
Total Revenues	6,233,155	251,239	4,484,475	26,213	2,000,000	6,083,722	19,078,804
EXPENDITURES							
Current:							
General government	3,444,453	646	-	-	-	538,980	3,984,079
Public safety	2,321,505	231,249	-	-	-	1,011,524	3,564,278
Public works	56,392	-	5,914,557	390,776	-	5,132,316	11,494,041
Health and welfare	130,075	-	-	-	-	-	130,075
Culture and recreation	208,150	-	-	-	-	13,357	221,507
Conservation of natural resources	104,872	-	-	-	-	-	104,872
Economic development and assistance	33,142	-	-	-	-	72,547	105,689
Debt service:							
Principal	139,338	-	522,843	-	-	499,636	1,161,817
Interest and fees	33,596	-	39,849	-	-	104,114	177,559
Total Expenditures	6,471,523	231,895	6,477,249	390,776	-	7,372,474	20,943,917
Excess of Revenues over (under) Expenditures	(238,368)	19,344	(1,992,774)	(364,563)	2,000,000	(1,288,752)	(1,865,113)
OTHER FINANCING SOURCES (USES)							
Long-term capital debt issued	258,806	-	1,872,799	-	-	-	2,131,605
Proceeds from sale of capital assets	18,524	-	505,624	-	-	104,050	628,198
Transfers in	48,762	-	-	-	-	895,741	944,503
Transfers out	(382,943)	-	(450,000)	-	-	(111,560)	(944,503)
Total Other Financing Sources and Uses	(56,851)	-	1,928,423	-	-	888,231	2,759,803
Net Changes in Fund Balances	(295,219)	19,344	(64,351)	(364,563)	2,000,000	(400,521)	894,690
Fund Balances- Beginning	2,496,521	12,691	1,020,543	3,467,760	0	3,868,146	10,865,661
Fund Balances- Ending	2,201,302	32,035	956,192	3,103,197	2,000,000	3,467,625	11,760,351

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

LEAKE 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**

	<u>Amount</u>
Net Change in Fund Balances - Governmental Funds	\$ 894,690
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 \$3,598,452 exceeded depreciation of \$1,064,612 in the current period.	2,533,840
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net gain of \$277,295 and the proceeds from the sale of \$628,198 in the current period.	(350,903)
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.	(311,870)
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.	(197,934)
Debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount that debt repayments of \$1,161,817 was exceeded by debt proceeds of \$2,131,605.	(969,788)
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. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Change in compensated absences	(11,020)
Change in accrued interest payable	9,897
The amortization of bond premium	117
The amortization of bond discounts	(2,226)
Items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recognition of pension expense for the current year	(1,164,290)
Recognition of contributions made for the current year	696,163
Change in Net Position of Governmental Activities	\$ <u><u>1,126,676</u></u>

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

LEAKE COUNTY
Statement of Net Position – Proprietary Fund
September 30, 2022

Exhibit 5

	Business-Type Activities Enterprise Fund <hr/> Leake County Correctional Facility <hr/>
ASSETS	
Current assets:	
Cash	\$ 695,633
Intergovernmental receivables	227,985
Total Current Assets	<hr/> 923,618 <hr/>
Noncurrent assets:	
Land and construction in progress	38,000
Capital assets, net	2,766,505
Total Noncurrent Assets	<hr/> 2,804,505 <hr/>
Total Assets	<hr/> 3,728,123 <hr/>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	513,829
Total Deferred Outflows of Resources	<hr/> 513,829 <hr/>
LIABILITIES	
Current liabilities:	
Claims payable	38,864
Due to other funds	36,200
Advances from other funds	91,756
Capital related debt - current	6,839
Total Current Liabilities	<hr/> 173,659 <hr/>
Noncurrent liabilities:	
Capital related debt:	
Other long-term liabilities	21,480
Non-capital debt:	
Compensated absences payable	84,511
Net pension liability	3,926,329
Total Noncurrent Liabilities	<hr/> 4,032,320 <hr/>
Total Liabilities	<hr/> 4,205,979 <hr/>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions	4,737
Total Deferred Inflows of Resources	<hr/> 4,737 <hr/>
NET POSITION	
Net investment in capital assets	2,776,186
Unrestricted	<hr/> (2,744,950) <hr/>
Total Net Position	<hr/> \$ 31,236 <hr/>

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

LEAKE COUNTY**Exhibit 6****Statement of Revenues, Expenses and Changes in Net Position – Proprietary Fund
For the Year Ended September 30, 2022**

	Business-type Activities Enterprise Fund
	Leake County Correctional Facility
Operating Revenues	
Charges for services	\$ 3,507,080
Operating Grant	15,940
Miscellaneous	62,286
Total Operating Revenues	<u>3,585,306</u>
Operating Expenses	
Personnel services	2,110,912
Contractual services	518,031
Materials and supplies	776,809
Depreciation expense	119,397
Indirect administrative cost	36,200
Pension expense	388,096
Total Operating Expenses	<u>3,949,445</u>
Operating Income (Loss)	<u>(364,139)</u>
Nonoperating Revenues (Expenses)	
Interest income	5,409
Gain (Loss) on sale of capital assets	<u>(650)</u>
Net Nonoperating Revenue (Expenses)	<u>4,759</u>
Change in Net Position	<u>(359,380)</u>
Net Position- Beginning, as previously reported	413,893
Prior Period Adjustment	<u>(23,277)</u>
Net Position- Beginning, as restated	<u>390,616</u>
Net Position - Ending	<u>\$ 31,236</u>

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

**Statement of Cash Flows – Proprietary Fund
For the Year Ended September 30, 2022**

		Business-type Activities
		Enterprise Fund
		Leake County Correctional Facility
Cash Flows From Operating Activities		
Receipts from customers	\$	3,693,810
Payments to suppliers		(824,598)
Payments to employees for services		(2,878,819)
Payments to General Fund for indirect costs		(90,000)
Other operating cash receipts		78,226
Net Cash Provided (Used) by Operating Activities		(21,381)
Cash Flows From Capital and Related Financing Activities		
Long-Term capital debt issued		28,319
Acquisition and construction of capital assets		(54,533)
Net Cash Provided (Used) by Capital and Related Financing Activities		(26,214)
Cash Flows From Investing Activities		
Interest on deposits		5,409
Net Cash Provided (Used) by Investing Activities		5,409
Net Increase (Decrease) in Cash and Cash Equivalents		(42,186)
Cash and Cash Equivalents at Beginning of Year		737,819
Cash and Cash Equivalents at End of Year	\$	695,633
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (Loss)	\$	(364,139)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense		119,397
Changes in assets and liabilities:		
(Increase) decrease in intergovernmental receivables		186,730
(Increase) decrease in deferred outflows of resources		(148,427)
Increase (decrease) in claims payable		(54,136)
Increase (decrease) in compensated absences liability		(11,475)
Increase (decrease) in interfund liabilities		(53,800)
Increase (decrease) in net pension liability		1,146,017
Increase (decrease) in deferred inflows of resources		(841,548)
Total Adjustments		342,758
Net Cash Provided (Used) by Operating Activities	\$	(21,381)

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

LEAKE COUNTY
Statement of Fiduciary Net Position
September 30, 2022

Exhibit 8

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ <u>26,676</u>
Total Assets	<u>26,676</u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	<u>26,676</u>
Total Net Position	\$ <u>26,676</u>

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

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

Exhibit 9

	<u>Custodial Funds</u>
ADDITIONS	
Tax collections for other governments	\$ 5
Licenses and fees collected for State	<u>379,850</u>
Total Additions	<u><u>379,855</u></u>
DEDUCTIONS	
Payments of tax to other governments	9
Payments of licenses and fees to State	<u>375,423</u>
Total Deductions	\$ <u><u>375,432</u></u>
Net increase (decrease) in fiduciary net position	4,423
Net Position - Beginning	<u>22,253</u>
Net Position - Ending	\$ <u><u>26,676</u></u>

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

LEAKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

A. Financial Reporting Entity - Leake 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 Leake County to present these financial statements on the primary government and its component units which have significant operational or financial relationships with the County. There are no outside organizations that should be included as component units of the County's reporting entity.

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

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

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

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information concerning the County as a whole. The statements include all nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues and are reported separately from business-type activities. Business-type activities rely mainly on fees and charges for support.

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

Fund Financial Statements:

LEAKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

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 of resources, liabilities, deferred inflows of resources, fund balances, revenues, and expenditures/expenses. Funds are organized into governmental, proprietary, and fiduciary. Major individual Governmental Funds and major individual Enterprise Funds are reported as separate columns in the fund financial statements. Nonmajor funds are aggregated and presented in a single column as Other Governmental Funds.

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

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

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

The County reports the following major governmental funds:

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

American Rescue Plan Fund – This fund is used to account for the accumulation of financial resources from The American Rescue Plan Act of 2021 that are to aid in the recovery of the effects associated with the COVID-19 pandemic.

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

2021 Road and Bridge Special Projects Fund – This fund is used to account for bond proceeds restricted for the maintenance of road and bridge projects.

LEAKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

2022 Fire Truck Grant Fund – This fund is used to account for monies from the State of Mississippi Rural Fire Truck Acquisition Assistance Program through the Mississippi Department of Insurance for the acquisition of fire trucks.

The County reports the following major Proprietary Fund:

Leake County Correctional Facility – This fund is used to account for the County's activities of operating the correctional facility.

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 expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

PROPRIETARY FUND TYPE

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

FIDUCIARY FUND TYPE

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

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

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

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

LEAKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

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

H. Capital Assets – Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the applicable governmental or business-type activities column in the government-wide financial statements. 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 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 cost of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

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

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

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

LEAKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

	<u>Capitalization Thresholds</u>	<u>Estimated Service Life</u>
Land	\$ 0	N/A
Buildings	50,000	40 years
Improvements other than buildings	25,000	20 years
Mobile equipment	5,000	5 to 10 years
Furniture and equipment	5,000	3 to 7 years
Infrastructure	0	20 to 50 years
Intangible assets	*	*

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

The term "depreciation" includes the amortization of intangible assets.

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 9 for additional details.

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

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 – 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 the revenue becomes available.

Unavailable revenue – solid waste fees – 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 the revenue becomes available.

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

LEAKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

J. 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.

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

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

L. Equity Classifications

Government-wide Financial Statements:

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

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

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

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

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

LEAKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

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

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

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

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

Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund. The General Fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds if 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 or unassigned) resources are available, and amounts in any of these unrestricted classifications could be used, it is the County's general policy to spend committed resources first, followed by assigned amounts and then unassigned amounts.

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

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

Accounting principles generally accepted in the United States of America require property taxes to be recognized at the levy date if measurable and available. All property taxes are recognized as revenue in the year for which they are levied. Motor vehicle and mobile home taxes do not meet the measurability

LEAKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

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

N. 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.

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

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.

NOTE 2 – PRIOR PERIOD ADJUSTMENTS.

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

LEAKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

Exhibit 2 – Statement of Activities – Governmental Activities.

Explanation	Amount
To correct prior year pension liability and related components:	
Deferred outflows related to pension	\$ (32,135)
Net pension liability	72,850
Deferred inflows related to pension	(17,438)
Total prior period adjustments	<u>\$ 23,277</u>

Exhibit 2 – Statement of Activities – Business Type Activities

Explanation	Amount
To correct prior year pension liability and related components:	
Deferred outflows related to pension	\$ 32,135
Net pension liability	(72,850)
Deferred inflows related to pension	17,438
Total prior period adjustments	<u>\$ (23,277)</u>

Exhibit 6 - Statement of Revenues Expenses and Changes in Net Position - Proprietary Funds

Explanation	Amount
To correct prior year pension liability and related components:	
Deferred outflows related to pension	\$ 32,135
Net pension liability	(72,850)
Deferred inflows related to pension	17,438
Total prior period adjustments	<u>\$ (23,277)</u>

NOTE 3 – DEPOSITS.

The carrying amount of the County's total deposits with financial institutions at September 30, 2022, was \$17,605,485, and the bank balance was \$18,277,446. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of the failure of a financial institution, the County will not be able to recover deposits or collateral securities that are in the possession

LEAKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

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.

NOTE 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	Leake County Correctional Facility	36,200
County Road and Bridge Fund	General Fund	55,290
Other Governmental Funds	General Fund	75,717
Total		\$ <u><u>167,207</u></u>

The General Fund receivable is for indirect administrative cost due from Leake County Correctional Facility. All other receivables represent the tax revenue collected but not settled until October 2022. All interfund balances are expected to be repaid within one year from the date of the financial statements.

B. Advances From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	County Road and Bridge Fund	\$ 220,000
General Fund	Other Governmental Funds	151,675
General Fund	Leake County Correctional Facility	91,756
County Road and Bridge Fund	Other Governmental Funds	2,500
Other Governmental Funds	County Road and Bridge Fund	6,175
Total		\$ <u><u>472,106</u></u>

The receivables represent prior year's unpaid indirect costs charged to Leake County Correctional Facility, loans to cover operating expenses, debt service payments, the sale of capital equipment, and correction of posting errors in prior years.

C. Transfers In/Out:

LEAKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 48,762
Other Governmental Funds	General Fund	382,943
Other Governmental Funds	Other Governmental Funds	62,798
Other Governmental Funds	County Road and Bridge Fund	450,000
Total		<u>\$ 944,503</u>

The principal purpose of interfund transfers was to provide funds for grant matches, operating expenses, debt service payments, and posting errors. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

NOTE 5 – INTERGOVERNMENTAL RECEIVABLES.

At September 30, 2022, intergovernmental receivables consisted of:

<u>Description</u>	<u>Amount</u>
Governmental Activities:	
Legislative tag credit	\$ 157,732
Emergency management performance grant	23,191
Drug Court Reimbursement	42,632
Other miscellaneous grants	8,938
Total Governmental Activities	<u>\$ 232,493</u>
Business Type Activities:	
Reimbursement for housing prisoners	\$ 227,985
Total Business Type Activities	<u>\$ 227,985</u>

NOTE 6 – CAPITAL ASSETS.

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

LEAKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

Governmental activities:

	Balance Oct. 1, 2021	Additions	Deletions	Adjustments*	Balance Sept. 30, 2022
Non-depreciable capital assets:					
Land	\$ 1,027,799	-	-	-	1,027,799
Construction in progress	492,691	1,217,695	-	(1,043,619)	666,767
Total non-depreciable capital assets	<u>1,520,490</u>	<u>1,217,695</u>	<u>-</u>	<u>(1,043,619)</u>	<u>1,694,566</u>
Depreciable capital assets:					
Infrastructure	12,345,291	-	-	1,043,619	13,388,910
Buildings	3,726,183	-	-	-	3,726,183
Mobile equipment	6,150,763	2,252,897	1,720,838	1,770,477	8,453,299
Furniture and equipment	1,075,919	127,860	112,441	-	1,091,338
Capital leases	1,770,477	-	-	(1,770,477)	-
Total depreciable capital assets	<u>25,068,633</u>	<u>2,380,757</u>	<u>1,833,279</u>	<u>1,043,619</u>	<u>26,659,730</u>
Less accumulated depreciation for:					
Infrastructure	3,858,026	311,514	-	-	4,169,540
Buildings	1,565,087	60,669	-	-	1,625,756
Mobile equipment	4,693,290	623,756	1,377,377	470,185	4,409,854
Furniture and equipment	836,464	68,673	104,999	-	800,138
Capital leases	470,185	-	-	(470,185)	-
Total accumulated depreciation	<u>11,423,052</u>	<u>1,064,612</u>	<u>1,482,376</u>	<u>-</u>	<u>11,005,288</u>
Total depreciable capital assets, net	<u>13,645,581</u>	<u>1,316,145</u>	<u>350,903</u>	<u>1,043,619</u>	<u>15,654,442</u>
Governmental activities Capital assets, net	<u>\$ 15,166,071</u>	<u>2,533,840</u>	<u>350,903</u>	<u>-</u>	<u>17,349,008</u>

Business-type activities:

	Balance Oct. 1, 2021	Additions	Deletions	Adjustments	Balance Sept. 30, 2022
Non-depreciable capital assets:					
Land	\$ 38,000	-	-	-	38,000
Total Non-depreciable capital assets	<u>38,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,000</u>
Depreciable capital assets:					
Buildings	5,191,863	-	-	-	5,191,863
Mobile equipment	171,619	33,572	6,500	-	198,691
Furniture and equipment	277,463	20,961	-	-	298,424
Total depreciable capital assets	<u>5,640,945</u>	<u>54,533</u>	<u>6,500</u>	<u>-</u>	<u>5,688,978</u>
Less accumulated depreciation for:					
Buildings	2,418,563	103,840	-	-	2,522,403
Mobile equipment	154,456	6,045	5,850	-	154,651
Furniture and equipment	235,907	9,512	-	-	245,419
Total accumulated depreciation	<u>2,808,926</u>	<u>119,397</u>	<u>5,850</u>	<u>-</u>	<u>2,922,473</u>
Total depreciable capital assets, net	<u>2,832,019</u>	<u>(64,864)</u>	<u>650</u>	<u>-</u>	<u>2,766,505</u>
Business -type activities Capital assets, net	<u>\$ 2,870,019</u>	<u>(64,864)</u>	<u>650</u>	<u>-</u>	<u>2,804,505</u>

LEAKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

*Adjustments are to reclassify completed construction in progress to infrastructure. Also, the adjustments above for leased assets 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 considered leased assets, reclassifications have been made to report them in their respective category.

Depreciation expense was charged to the following functions:

Governmental Activities:	<u>Amount</u>
General government	\$ 112,564
Public safety	193,348
Public works	745,477
Health & welfare	10,512
Conservation of natural resources	<u>2,711</u>
Total governmental activities depreciation expense	<u>\$ 1,064,612</u>
Business-type activities:	
Correctional facility	<u>\$ 119,397</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>
Bilbro Road / ERBR-LSBP-40(14)	44,394	06/2023

NOTE 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.

NOTE 8 – LONG TERM DEBT.

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

LEAKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

Governmental Activities:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
A. General Obligation Bonds:			
G.O. Refunding Bonds - Leake Memorial Hospital, Series 2010	\$ 295,000	1.95/5.95	01/2023
General Obligation Bonds, Series 2021	3,365,000	1.75/2.13	06/2041
Total General Obligation Bonds	<u>\$ 3,660,000</u>		
B. Financed Purchases:			
One New Ford Expedition	8,845	3.24	02/2023
Schneider Electric Savings Improvements	665,255	3.99	03/2038
2020 Ford Explorer	6,760	2.59	04/2023
2020 Ford Interceptor	9,908	2.33	05/2023
2020 Ford Police Interceptor	12,008	1.54	09/2023
2020 Dodge Ram	7,418	2.33	07/2023
2015 Chevrolet Silverado	19,867	2.07	04/2024
AS 400	65,219	3.95	08/2025
Five Chevy Tahoes	176,537	3.13	06/2025
Three Motorgraders	729,401	1.98	11/2026
Two Motorgraders	490,990	2.03	01/2027
Three Tractors with Tree Hog	531,536	3.53	07/2027
Total Financed Purchases	<u>\$ 2,723,744</u>		
C. Other Loans:			
Barnes Fire Station	\$ 12,754	2.00	01/2024
Leake County Note 2020-1, Tax Office Notes	76,627	1.86	06/2025
2020-10 Road and Bridge Note	403,270	1.42	11/2025
Total Other Loans	<u>\$ 492,651</u>		

Business Type Activities:

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
A. Financed Purchases:			
2020 Chevy Van	28,319	2.29	10/2025
Total Financed Purchases	<u>\$ 28,319</u>		

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

LEAKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

Governmental Activities:

Year Ending	General Obligation Bonds		Other Loans		Financed Purchases	
September 30:	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 435,000	73,764	134,694	7,347	406,569	74,372
2024	145,000	62,538	127,634	5,334	372,338	63,064
2025	145,000	60,000	127,596	3,389	354,353	52,060
2026	150,000	57,100	102,727	1,462	291,517	42,848
2027	155,000	54,100	-	-	805,699	25,494
2028-2032	830,000	222,600	-	-	209,548	80,278
2033-2037	950,000	139,625	-	-	255,314	34,513
2038-2042	850,000	44,100	-	-	28,406	577
Total	\$ 3,660,000	713,827	492,651	17,532	2,723,744	373,206

Business Type Activities:

Year Ending	Financed Purchases	
September 30:	Principal	Interest
2023	\$ 6,839	655
2024	6,997	497
2025	7,159	335
2026	7,324	170
Total	\$ 28,319	1,657

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2022, the amount of outstanding debt was equal to 2.97% of the latest property assessments.

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

LEAKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

Governmental Activities:	Balance				Balance	Amount due
	Oct. 1, 2021	Additions	Reductions	Adjustments	Sept. 30, 2022	within one year
Compensated absences	\$ 147,861	11,020			158,881	
General obligation bonds	4,149,000	-	489,000		3,660,000	435,000
Less: Discounts	(17,834)		(2,226)		(15,608)	
Add: Premiums	117		117		-	
Other loans	624,707	-	132,056		492,651	134,694
Financed purchases	-	2,131,605	540,761	1,132,900	2,723,744	406,569
Capital lease obligations	1,132,900	-	-	(1,132,900)	-	-
Total	\$ 6,036,751	2,142,625	1,159,708	-	7,019,668	976,263

Business Type Activities:	Balance				Balance	Amount due
	Oct. 1, 2021	Additions	Reductions	Adjustments	Sept. 30, 2022	within one year
Compensated absences	\$ 95,986	-	11,475		84,511	
Financed purchases	-	28,319	-	-	28,319	6,839
Total	\$ 95,986	28,319	11,475	-	112,830	6,839

Compensated absences will be paid by the funds from which the employees' salaries were paid which are generally the General Fund, 911 Emergency Communications Fund, Rural Fire Fund, Leake County Economic Development Fund, County Road and Bridge Fund, 8th District Intervention Court Fund, Solid Waste Disposal Fund, and the Leake County Correctional Facility.

NOTE 9 – DEFINED BENEFIT PENSION PLAN.

General Information about the Pension Plan

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

Benefits Provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in

LEAKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.0 percent of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.0 percent compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

Contributions. At September 30, 2022, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2022, was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature.

The County's contributions (employer share only) to PERS for the years ending September 30, 2022, 2021 and 2020 were \$928,217, \$877,419, and \$865,900, 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 \$15,705,315 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 participation entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2022, net pension liability was 0.076347 percent, which was based on a measurement date of June 30, 2022. This was an increase of 0.001104 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 \$1,552,386. At September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

LEAKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 220,667	-
Net difference between projected and actual earnings on pension plan investments	855,739	-
Changes of assumptions	535,661	-
Changes in the proportion and differences between County contributions and proportionate share of contributions	193,395	18,948
County Contributions subsequent to the measurement date	249,853	-
	<u>\$ 2,055,315</u>	<u>18,948</u>

\$249,853 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:

<u>Year ending September 30:</u>	<u>Amount</u>
2023	\$ 570,479
2024	447,651
2025	(83,830)
2026	852,214
Total	<u>\$ 1,786,514</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 the 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 period 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

LEAKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

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 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:

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)
	<u>100.00 %</u>	

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

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

	1% Decrease (6.55%)	Discount Rate (7.55%)	1% Increase (8.55%)
County's proportionate share of the net pension liability	\$ 20,497,042	15,705,315	11,754,783

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

NOTE 10 – DEFICIT FUND BALANCES OF INDIVIDUAL FUNDS.

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

LEAKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

Fund	Deficit Amount
L.C. Hospital Bond & Interest	\$ 2,430
Advalorem Tax Refund Fund	80,000

NOTE 11 – 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 statement.

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.

NOTE 12 – EFFECT OF DEFERRED AMOUNTS ON NET POSITION.

The governmental activities' deficit unrestricted net position amount of (\$8,331,741) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pensions in the amount of \$187,390 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 \$1,354,096 balance of deferred outflow of resources related to pensions at September 30, 2022, will be recognized in pension expense over the next four years. The \$14,211 balance of the deferred inflow of resources related to pension at September 30, 2022, will be recognized in pension expense over the next three years.

The business-type activities' deficit unrestricted net position amount of (\$2,744,950) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pensions in the amount of \$62,463 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 \$451,366 balance of the deferred outflow of resources related to pensions at September 30, 2022, will be recognized in pension expense over the next four years. The \$4,737 balance of the deferred inflow of resources related to pension at September 30, 2022, will be recognized in pension expense over the next three years.

NOTE 13 – JOINT VENTURES.

Leake County is a participant with the City of Carthage in a joint venture authorized by *Section 39-3-11, Mississippi Code Annotated (1972)*, to operate the Carthage-Leake County Airport. This joint venture was created to provide airport facilities to the area, and is governed by a six-member board appointed by the Board of Supervisors and the city council: three from each government. By contractual agreement, the

LEAKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

County's appropriation to the joint venture was \$1,500 in fiscal year 2022. Complete financial statements for the Carthage-Leake County Airport can be obtained from P.O. Box 577, Carthage, MS 39501.

Leake County is a participant with the Counties of Attala, Holmes, Montgomery, and Winston in a joint venture authorized by *Section 39-3-9 Mississippi Code Annotated (1972)*, to operate the Mid-Mississippi Regional Library System. The joint venture was created to provide free public library service to the citizens of the member counties. The Leake County Board of Supervisors appoints one of the five members of the board of directors. By contractual agreement, the county's authorized appropriation to the joint venture was \$208,150 in fiscal year 2022.

NOTE 14 – JOINTLY GOVERNED ORGANIZATIONS.

The County participates in the following jointly governed organizations:

East Central Mississippi Planning and Development District operates in a district composed of the Counties of Clarke, Jasper, Kemper, Lauderdale, Leake, Neshoba, Newton, Scott, and Smith. The Leake County Board of Supervisors appoints 1 of the 15 members of the board of directors. The County appropriated \$15,058 for support of the district in fiscal year 2022.

East Central Community College operates in a district composed of the Counties of Leake, Neshoba, Newton, Scott, and Winston. The Leake County Board of Supervisors appoints six of the 30 members of the College Board of Trustees. The County appropriated \$415,017 for the maintenance and support of the college in the fiscal year 2022.

Central Mississippi Emergency Medical Services District operates in a district composed of the Counties of Attala, Clarke, Copiah, Holmes, Lauderdale, Leake, Madison, Neshoba, Rankin, Scott, Smith, Warren, and Yazoo. The Leake County Board of Supervisors appoints two of the 26 board members. The County provided no financial support in fiscal year 2022.

East Central Community Action Agency, Inc. operates in a district composed of the Counties of Leake, Neshoba, Rankin, Scott, and Smith. The Leake County Board of Supervisors appoints two of the 30 board members. The County provided no financial support in fiscal year 2022.

Region Ten, Weems Community Mental Health operates in a district composed of the Counties of Clarke, Jasper, Kemper, Lauderdale, Leake, Neshoba, Newton, Scott, and Smith. The Leake County Board of Supervisors appoints one of the nine members of the board of commissioners. The County appropriated \$18,200 for support of the commission in fiscal year 2022.

NOTE 15 – TAX ABATEMENTS

For the year beginning October 1, 2016, the Governmental Accounting Standards Board (GASB) implemented Statement No. 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 governments or the citizens of those governments.

LEAKE COUNTY, MISSISSIPPI
NOTES TO FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

As of September 30, 2022, Leake County provides tax exempt status to various retail, production, and manufacturing companies subject to the requirements of GASB Statement No. 77. These companies are exempt from real property taxes and personal property taxes, with the exception of inventory exemptions. These exemptions are authorized under Sections 27-31-101, 27-31-51, 27-31-15(2), and 27-31-105 of the Mississippi Code Annotated (1972). These exemptions encourage business to locate or expand operations in the County and to create jobs. The County had abatements under the above code sections, which do not provide for the abatement of school or state tax levies:

Category	Fiscal Year 2022	
	% of Taxes Abated	Amount of Taxes Abated
Various retail, production, and manufacturing companies	100%	\$ 442,288

NOTE 16 – 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 Leake County evaluated the activity of the County through June 27, 2023, (the date the financial statements were available to be issued) and determined that the following events occurred requiring disclosure in the notes to the financial statements.

Subsequent to September 30, 2022, the County issued the following debt obligation:

Issue Date	Interest Date	Issue Amount	Type of Financing	Source of Financing
12/28/2022	5.75/8.125	885,000	General Obligation Bonds	Ad valorem taxes

LEAKE COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

LEAKE 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	\$ 4,819,677	4,817,362	4,817,362	-
Licenses, commissions and other revenue	246,262	248,577	248,577	-
Fines and forfeitures	292,880	292,880	292,880	-
Intergovernmental revenues	2,776,053	2,776,053	2,776,053	-
Charges for services	73,489	73,489	73,489	-
Interest income	19,271	19,271	19,271	-
Miscellaneous revenues	231,365	222,009	222,009	-
Total Revenues	8,458,997	8,449,641	8,449,641	-
EXPENDITURES				
General government	3,651,336	3,559,104	3,559,104	-
Public safety	2,425,314	2,358,285	2,358,285	-
Public works	67,385	67,385	67,385	-
Health and welfare	130,118	130,118	130,118	-
Culture and recreation	208,150	208,150	208,150	-
Conservation of natural resources	100,056	100,056	100,056	-
Economic development and assistance	33,142	33,142	33,142	-
Debt Service	-	162,691	162,691	-
Total Expenditures	6,615,501	6,618,931	6,618,931	-
Excess of Revenues over (under) Expenditures	1,843,496	1,830,710	1,830,710	-
OTHER FINANCING SOURCES (USES)				
Sources	541,487	550,844	550,844	-
Uses	(2,715,479)	(2,721,357)	(2,721,357)	-
Total Other Financing Sources and Uses	(2,173,992)	(2,170,513)	(2,170,513)	-
Net Change in Fund Balance	(330,496)	(339,803)	(339,803)	-
Fund Balance - Beginning	1,136,285	2,043,665	1,919,072	(124,593)
Fund Balance - Ending	\$ 805,789	1,703,862	1,579,269	(124,593)

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

LEAKE COUNTY**Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)****County Road and Bridge 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	\$ 1,757,225	1,757,225	1,757,225	-
Road and bridge privilege taxes	255,955	255,955	255,955	-
Intergovernmental revenues	2,460,182	2,460,134	2,460,134	-
Interest income	13,081	13,081	13,081	-
Miscellaneous revenues	68,337	7,596	7,596	-
Total Revenues	4,554,780	4,493,991	4,493,991	-
EXPENDITURES				
Public works	7,035,344	6,022,653	6,022,653	-
Debt service	-	562,692	562,692	-
Total Expenditures	7,035,344	6,585,345	6,585,345	-
Excess of Revenues over (under) Expenditures	(2,480,564)	(2,091,354)	(2,091,354)	-
OTHER FINANCING SOURCES (USES)				
Sources	2,317,634	2,378,423	2,378,423	-
Uses	-	(450,000)	(450,000)	-
Total Other Financing Sources and Uses	2,317,634	1,928,423	1,928,423	-
Net Change in Fund Balance	(162,930)	(162,931)	(162,931)	-
Fund Balance - Beginning	467,714	1,317,280	1,317,280	-
Fund Balance - Ending	\$ 304,784	1,154,349	1,154,349	-

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

LEAKE COUNTY**Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)****American Rescue Plan 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	-	2,212,957	2,212,957	-
Interest income	19,344	19,344	19,344	-
Total Revenues	19,344	2,232,301	2,232,301	-
EXPENDITURES				
General Government	1,225	1,225	1,225	-
Public Safety	231,249	231,249	231,249	-
Total Expenditures	232,474	232,474	232,474	-
Excess of Revenues over (under) Expenditures	(213,130)	1,999,827	1,999,827	-
OTHER FINANCING SOURCES (USES)				
Sources (Uses)	2,212,957	-	-	-
Total Other Financing Sources and Uses	2,212,957	-	-	-
Net Change in Fund Balance	1,999,827	1,999,827	1,999,827	-
Fund Balance - Beginning	-	2,188,635	2,188,635	-
Fund Balance - Ending	\$ 1,999,827	4,188,462	4,188,462	-

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

LEAKE COUNTY**Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)****2021 Road and Bridge Special Projects Fund****For the Year Ended September 30, 2022****UNAUDITED**

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Interest income	26,213	26,213	26,213	-
Total Revenues	26,213	26,213	26,213	-
EXPENDITURES				
Public Works	390,776	390,776	390,776	-
Total Expenditures	390,776	390,776	390,776	-
Net Change in Fund Balance	(364,563)	(364,563)	(364,563)	-
Fund Balance - Beginning	-	3,467,760	3,467,760	-
Fund Balance - Ending	\$ (364,563)	3,103,197	3,103,197	-

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

LEAKE COUNTY**Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)****2022 Fire Truck Grant 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	-	2,000,000	2,000,000	-
Total Revenues	-	2,000,000	2,000,000	-
EXPENDITURES				
Public Safety	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues over (under) Expenditures	-	2,000,000	2,000,000	-
OTHER FINANCING SOURCES (USES)				
Sources	2,000,000	-	-	-
Total Other Financing Sources and Uses	2,000,000	-	-	-
Net Change in Fund Balance	2,000,000	2,000,000	2,000,000	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	\$ 2,000,000	2,000,000	2,000,000	-

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

LEAKE COUNTY
Schedule of Proportionate Share of the Net Pension Liability
Last 10 Fiscal Years*
For the Year Ended September 30, 2022

UNAUDITED

	2022	2021	2020	2019	2018	2017	2016	2015
County's proportion of the net pension liability (asset)	0.076347%	0.075243%	0.074366%	0.074644%	0.072492%	0.069812%	0.069710%	0.072881%
County's proportionate share of the net pension liability (asset)	\$ 15,705,315	11,121,244	14,396,393	13,131,353	12,057,573	11,605,124	12,451,948	11,265,965
County's covered payroll	\$ 5,255,975	5,002,858	4,951,850	4,861,330	4,629,292	4,478,481	4,463,827	4,553,219
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	298.81%	222.30%	290.73%	270.12%	260.46%	259.13%	278.95%	247.43%
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%

* 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.

LEAKE COUNTY
Schedule of Pension Contributions
Last 10 Fiscal Years*
For the Year Ended September 30, 2022

UNAUDITED

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 928,217	877,419	865,900	789,474	740,695	708,912	721,956	716,454
Contributions in relation to the contractually required contribution	928,217	877,419	865,900	789,474	740,695	708,912	721,956	716,454
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-
County's covered payroll	\$ 5,334,589	5,042,638	4,976,423	4,877,063	4,702,816	4,501,022	4,583,847	4,548,914
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	16.19%	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.

LEAKE COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2022

UNAUDITED

Budgetary Comparison Schedule

A. Budgetary Information.

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

	General Fund	County Road and Bridge Fund	American Rescue Plan Fund	2021 Road and Bridge Special Project Fund	2022 Fire Truck Grant Fund
Budget (Cash basis)	\$ (339,803)	(162,931)	1,999,827	(364,563)	2,000,000
Increase (Decrease)					
Net adjustments for revenue accruals	(2,441,238)	(9,516)	(1,981,062)	0	0
Net adjustments for expenditure accruals	2,485,822	108,096	579	0	0
GAAP Basis	\$ (295,219)	(64,351)	19,344	(364,563)	2,000,000

LEAKE COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2022

UNAUDITED

Pension Schedules

A. 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.

B. 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 were reduced from 3.75% to 3.25%

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

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

LEAKE COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2022

UNAUDITED

2019

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

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

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

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

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

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

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

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

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

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

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

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

2021

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

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

For females, 84% of the 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.

LEAKE COUNTY, MISSISSIPPI
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended September 30, 2022

UNAUDITED

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 more closely reflect actual experience.
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%.

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

LEAKE COUNTY

SUPPLEMENTARY INFORMATION

LEAKE COUNTY

Reconciliation of Operating Costs of Solid Waste

For the Year Ended September 30, 2022

Operating Expenditures, Cash Basis

Salaries	\$ 71,671
Contractual services	13,955
Contractual services-Solid Waste Disposal	1,295,314
Consumable supplies	2,276
Miscellaneous	<u>108,642</u>

Solid Waste Cash Basis Operating Expenditures	1,491,858
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Full Cost Expenses:

Indirect administrative costs	16,352
Depreciation on equipment	8,115
Net effect of other accrued expenses	<u>13,869</u>

Solid Waste Full Cost Operating Expenses	<u><u>\$ 1,530,194</u></u>
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LEAKE COUNTY

OTHER INFORMATION

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

<u>Name</u>	<u>Position</u>	<u>Company</u>	<u>Bond</u>
Kirby Nazary	Supervisor District 1	RLI Insurance Company	100,000
Kevin Kemp	Supervisor District 2	RLI Insurance Company	100,000
Oliver Smith	Supervisor District 3	RLI Insurance Company	100,000
Larry Sims	Supervisor District 4	RLI Insurance Company	100,000
Marvin Jones, III	Supervisor District 5	Travelers Casualty & Surety Co.	100,000
Corey Wooten	County Administrator	RLI Insurance Company	100,000
Dot Merchant	Chancery Clerk	RLI Insurance Company	100,000
Kenneth B. Adcock	Circuit Clerk	RLI Insurance Company	100,000
Viktorea Pace	Deputy Circuit Court Clerk	RLI Insurance Company	50,000
Jenna Lepard	Deputy Circuit Court Clerk	Travelers Casualty & Surety Co.	50,000
Beverly Prestage	Deputy Circuit Court Clerk	RLI Insurance Company	50,000
Randy Atkinson	Sheriff	RLI Insurance Company	100,000
J. Lucas Brown	Tax Assessor-Collector	RLI Insurance Company	100,000
Kaitlyn Myers	Deputy Tax Assessor	RLI Insurance Company	50,000
Tiffany Jenkins	Deputy Tax Assessor	RLI Insurance Company	50,000
Jennifer Lee	Deputy Tax Collector	RLI Insurance Company	100,000
Cynthia Fortune	Deputy Tax Collector	RLI Insurance Company	50,000
Vickie Alford	Deputy Tax Collector	RLI Insurance Company	50,000
Stephanie Johnston	Deputy Tax Collector	RLI Insurance Company	50,000
Aerial Wall	Deputy Tax Collector	RLI Insurance Company	50,000
Jennifer Kirkland	Deputy Tax Collector	RLI Insurance Company	50,000
Belinda Atkinson	Purchase Clerk	RLI Insurance Company	100,000
Tammy Jones	Receiving Clerk	Travelers Casualty & Surety Co.	75,000
Kristye Horn	Inventory Control Clerk	RLI Insurance Company	75,000
D.P. Adams	Road Manager	RLI Insurance Company	100,000
Kaitlyn Myers	Assistant Receiving Clerk	RLI Insurance Company	50,000
Jenna Lepard	Assistant Receiving Clerk	RLI Insurance Company	50,000
Evangelina Harvey	Assistant Receiving Clerk	RLI Insurance Company	50,000
Rhonda L. Blanton	Assistant Receiving Clerk	FCCI Insurance Group	50,000
Courtney Clay	Assistant Receiving Clerk	RLI Insurance Company	50,000
Barbara C. Smith	Assistant Receiving Clerk	FCCI Insurance Group	50,000
Twanna Steve	Assistant Receiving Clerk	RLI Insurance Company	50,000
Jackie Watkins	Assistant Receiving Clerk	RLI Insurance Company	50,000
Linda Sanders	Assistant Receiving Clerk	RLI Insurance Company	50,000
Shirley O'Bannon	Assistant Receiving Clerk	RLI Insurance Company	50,000
Rita Wilkerson	Assistant Receiving Clerk	RLI Insurance Company	50,000
Kristi Estep	Assistant Receiving Clerk	RLI Insurance Company	50,000
Jelcey Nealy	Assistant Receiving Clerk	RLI Insurance Company	50,000
Dana Kitchens	Assistant Receiving Clerk	RLI Insurance Company	50,000
Bridgette Reed	Assistant Receiving Clerk	RLI Insurance Company	50,000
Amber Martin	Assistant Receiving Clerk	RLI Insurance Company	50,000
Teshia Johnson	Assistant Receiving Clerk	RLI Insurance Company	50,000
Ruby Graham	Justice Court Judge	RLI Insurance Company	50,000
Johnny W. Pope	Justice Court Judge	RLI Insurance Company	50,000
Twanna Steve	Justice Court Clerk	RLI Insurance Company	50,000
Teshia Johnson	Justice Court Clerk	RLI Insurance Company	50,000
Elizabeth C. Smith	Deputy Justice Court Clerk	RLI Insurance Company	50,000
Ashley O'Bannon	Deputy Justice Court Clerk	Travelers Casualty & Surety Co.	50,000
Jelcey Nealy	Deputy Justice Court Clerk	RLI Insurance Company	50,000
Tiffany Luckett	Deputy Justice Court Clerk	RLI Insurance Company	50,000
Candetta Patrick	Deputy Justice Court Clerk	RLI Insurance Company	50,000
Madysen Martin	Deputy Justice Court Clerk	RLI Insurance Company	50,000
Dana Kitchens	Deputy Justice Court Clerk	RLI Insurance Company	50,000
Bailey Merchant	Deputy Justice Court Clerk	RLI Insurance Company	50,000
Madison Braziel	Deputy Justice Court Clerk	RLI Insurance Company	50,000
Steve McMillon	Constable	Travelers Casualty & Surety Co.	50,000
Steve Goodman	Constable	RLI Insurance Company	50,000

LEAKE COUNTY

SPECIAL REPORTS

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PRIVATE COMPANIES PRACTICE SECTION

**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
Leake County, Mississippi

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Leake 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 June 27, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Leake 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 Leake 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Leake 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*.

Purpose of this Report

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

Bridgers, Goodman, Baird & Clarke, PLLC

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

June 27, 2023

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

Members of the Board of Supervisors
Leake County, Mississippi

We have examined Leake County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with *Sections 31-7-101 through 31-7-127, Miss. Code Ann. (1972)* and compliance with the purchasing requirements in accordance with the bid requirements of *Section 31-7-13, Miss. Code Ann. (1972)* during the year ended September 30, 2022. The Board of Supervisors of Leake 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 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 Leake 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, Leake 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, Miss. Code Ann. (1972)*. The information contained on these schedules has been subjected to procedures performed in connection with our aforementioned examination and, in our opinion, is fairly presented when considered in relation to that examination.

This report is intended for use in evaluating Leake 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, Mississippi

June 27, 2023

LEAKE COUNTY

Schedule 1

**Schedule of Purchases Not Made from the Lowest Bidder
For the Year Ended September 30, 2022**

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

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

Schedule 2

Date	Item Purchased	Amount	Vendor	Reason for Emergency Purchase
5/31/2022	Repeater repair-Lena, Barnes, Main repeater	\$ 14,449	Central Mississippi Communications	Storm Damage - Communications Network Damaged
5/31/2022	Repair AC Courthouse techs, parts, and Boards	8,467	Upchurch Services, LLC	Control Board for the chiller needed to be replaced. No air conditioning in Courthouse. Circuit Court was beginning on June 2nd.

**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.

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PRIVATE COMPANIES PRACTICE SECTION

LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Leake County, Mississippi

In planning and performing our audit of the financial statements of Leake County, Mississippi for the year ended September 30, 2022, we considered Leake 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 Leake 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 June 27, 2023, on the financial statements of Leake County, Mississippi.

Although no findings came to our attention as a result of these review procedures and compliance tests, these procedures and tests cannot and do not provide absolute assurance that all state legal requirements have been complied with. Also, our consideration of internal control would not necessarily disclose all matters within the internal control that might be weaknesses. In accordance with *Section 7-7-211, Miss. Code Ann. (1972)*, the Office of the State Auditor, when deemed necessary, may conduct additional procedures and tests of transactions for this or other fiscal years to ensure compliance with legal requirements.

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

Bridgers, Goodman, Baird & Clarke, PLLC

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

June 27, 2023

LEAKE COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

LEAKE COUNTY
Schedule of Findings and Responses
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 | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weaknesses identified? | No |
| b. Significant deficiency identified? | None reported |
| 3. Noncompliance material to the financial statements? | No |

Section 2: Financial Statement Findings

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