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

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

**LEFLORE COUNTY
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LEFLORE COUNTY

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Leflore County, Mississippi

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Leflore 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, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Leflore 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.

We did not audit the financial statements of Greenwood Leflore Hospital, which represents 100 percent, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Greenwood Leflore Hospital is based solely on the report of the other auditors.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Budgetary Comparison Schedules and corresponding notes, the Schedule of the

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Leflore 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 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 April 9, 2024 on our consideration of Leflore 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 Leflore 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 Leflore 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

April 9, 2024

LEFLORE COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

**LEFLORE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

The discussion and analysis of Leflore County's financial performance provides an overall narrative review of the County's financial activities for the year ended September 30, 2022. The intent of this discussion and analysis is to look at the County's performance as a whole; readers should also review the notes to the basic financial statements and the financial statements to enhance their understanding of the County's financial performance. Information contained in this section is supplemented by the more detailed information contained elsewhere in this County's financial statements, notes to financial statements and any accompanying materials. To the extent this discussion contains any forward-looking statements of the County's plans, objectives, expectations and prospects, the actual results could differ materially from those discussed herein.

FINANCIAL HIGHLIGHTS

- Total net position decreased \$2,296,897, which represents a 7.9% decrease from fiscal year 2021.
- General revenues account for \$17,789,482 in revenues, or 76.8% of all revenues. Program specific revenues in the form of charges for services, and grants and contributions accounted for \$5,387,249 or 23.2% of total revenues.
- The County had \$26,670,341 in total expenses; only \$5,387,249 of these expenses were offset by program specific charges for services, grants, and contributions. General revenues of \$17,789,482 and beginning net position were adequate to provide for the remainder of these programs.
- Among major funds, the General Fund had \$14,303,005 in revenues, \$14,607,106 in expenditures, \$364,550 in transfers out, \$9,523 in leases issued, and \$194,016 in long-term capital debt issued. The General Fund's fund balance decreased by \$465,112.
- Among major funds, the Road and Bridge Fund had \$1,527,095 in revenues, \$4,862,416 in expenditures, \$ 1,198,473 long-term capital debt issued, \$384,441 in Proceeds from sale of capital assets, \$1,952 in compensation for loss of capital assets, \$1,500,000 in interfund transfers in and \$134,090 in interfund transfers out. The Road and Bridge Fund's fund balance decreased by \$384,545.
- Among major funds, the COVID Fund had \$21,477 in revenues. The COVID fund balance increased by \$21,477.
- Among major funds, the GO Indebtedness Fund had \$32,673 in revenues, \$1,873,601 in expenditures, \$10,000,000 in long term debt issued, and \$461,000 in transfers out. The GO Indebtedness Fund's fund balance increased by \$7,698,072.
- Capital assets, net of accumulated depreciation, increased by \$430,594, primarily due to depreciation expense and a prior period adjustment.
- Long-term debt increased by \$9,412,615, primarily due to the timely payment of existing debt and the issuance of new debt.

**LEFLORE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business. These statements are prepared using the accrual basis of accounting and include all assets and liabilities.

The statement of net position presents information on all the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal years.

Both of these government-wide financial statements outline functions of the County that are principally supported by property taxes and intergovernmental revenues (governmental activities). The governmental activities of the County include general government, public safety, public works, health and welfare, culture and recreation, conservation of natural resources, economic development and assistance, interest on long-term debt and pension expense.

The County has the following discretely presented component unit.
Greenwood Leflore Hospital

This discretely presented component unit is reported in a separate column in the combined financial statements to emphasize that it is legally separate from the primary government.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's current financing requirements. Governmental funds are reported using modified accrual accounting. This method of

**LEFLORE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

accounting measures cash and other assets that can be easily converted to cash. The governmental funds statements provide a detailed short-term view of the County's operations.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's current financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains individual government funds in accordance with the *Mississippi County Financial Accounting Manual*. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all major funds. All other non-major funds are combined together and presented in these reports as other governmental fund.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accrual basis of accounting is used for fiduciary funds. The County is responsible for ensuring that the assets reported in these funds are used for their intended purpose. The County's fiduciary balances are presented in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the County's budget process.

The County adopts an annual operating budget for all governmental funds. A budgetary comparison statement has been provided for the General Fund and each additional major special revenue fund.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position. Net position may serve over time as a useful indicator of a government's financial position. In the case of the County, assets and deferred outflows exceeded liabilities and deferred inflows by \$26,930,530 as of September 30, 2022.

By far the largest portion of the County's net position (110%) reflects its investment in capital assets (e.g. land, buildings, improvement other than buildings, mobile equipment, furniture and equipment, leases, infrastructure assets, and construction in progress), less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to the county; consequently, these assets are not available for future spending.

**LEFLORE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

The County's financial position is a product of several financial transactions including the net result of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets and the depreciation of capital assets.

The following table presents a comparative summary of the County's net position for the fiscal years ended September 30, 2022 and September 30, 2021.

	<u>2021</u>	<u>2022</u>
Current and other assets	\$ 31,748,347	42,974,796
Capital assets, net	<u>55,484,372</u>	<u>55,914,966</u>
Total assets	87,232,719	98,889,762
Deferred outflows	2,321,590	4,541,292
Current liabilities	4,845,329	7,775,534
Long-term debt outstanding	<u>35,009,928</u>	<u>51,478,330</u>
Total liabilities	39,855,257	59,253,864
Deferred inflows	20,471,625	17,246,660
Net position:		
Net investment in capital assets	38,596,153	29,613,744
Restricted	5,221,140	11,866,755
Unrestricted	<u>(14,589,866)</u>	<u>(14,549,969)</u>
Total net position	\$ <u>29,227,427</u>	<u>26,930,530</u>

**LEFLORE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

Changes in net position. The County's total revenues for the fiscal year ended September 30, 2022, were \$23,176,731. The total cost of all programs and services was \$26,670,341. The decrease in net position was \$3,493,610. The following table presents a comparative summary of the changes in net position for the fiscal years ended September 30, 2022, and September 30, 2021.

	2021	2022
Revenues:		
Program revenues		
Charges for services	\$ 2,526,422	2,726,363
Operating grants & contributions	557,487	1,397,785
Capital grants & contributions	597,126	1,263,101
General revenues		
Property taxes	15,985,005	15,728,775
Road and bridge privilege taxes	327,226	340,958
Grants and contributions not restricted	1,927,340	543,796
Unrestricted interest income	252,918	149,410
Rental Income	354,453	-
Miscellaneous	45,965	1,026,543
Gain (Loss) on disposal of assets	(41,337)	-
Total revenues	22,532,605	23,176,731
	2021	2022
Expenses:		
General Government	6,728,516	6,509,908
Public Safety	6,225,017	6,548,801
Public Works	8,322,849	9,255,433
Health and Welfare	787,794	762,452
Culture and Recreation	759,457	902,809
Conservation of Natural Resources	106,201	127,172
Economic Development and Assistance	554,626	757,232
Interest on long-term liabilities	543,923	598,290
Pension Expense	847,586	1,208,244
Total Expenses	24,875,969	26,670,341
Increase/ (Decrease) in Net Position	\$ (2,343,364)	(3,493,610)

Governmental activities. The following table presents the cost of nine major county functional activities: general government, public safety, public works, health and welfare, culture and recreation, conservation of natural resources, economic development and assistance, interest on long-term debt and pension expense. The comparative table also shows each function's net cost (total cost less charges for services generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden that was placed on the County's taxpayers by each of these functions.

**LEFLORE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

	2021 Total Expenses	2021 Net (Expense) Revenue	2022 Total Expenses	2022 Net (Expense) Revenue
General Government	\$ 6,728,516	(5,794,620)	6,509,908	(5,315,095)
Public Safety	6,225,017	(5,159,388)	6,548,801	(5,464,880)
Public Works	8,322,849	(6,799,724)	9,255,433	(6,329,376)
Health and Welfare	787,794	(629,409)	762,452	(579,994)
Culture and Recreation	759,457	(759,457)	902,809	(902,809)
Conservation of Natural Resources	106,201	(106,201)	127,172	(127,172)
Economic Development and Assistance	554,626	(554,626)	757,232	(757,232)
Interest on long-term liabilities	543,923	(543,923)	598,290	(598,290)
Pension Expense	847,586	(847,586)	1,208,244	(1,208,244)
Total Expenses	\$ 24,875,969	(21,194,934)	26,670,341	(21,283,092)

Net cost of governmental activities of \$21,283,092, was financed by general revenue, which is made up of property taxes of \$15,728,775, road and bridge privilege of \$340,958, grants and contributions not restricted to specific programs of \$543,796, interest earnings of \$149,410, and miscellaneous revenues of \$1,026,543. Beginning of year net position was used to cover remaining costs.

FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the county uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the county's governmental funds is to provide information on current inflows, outflows, and balances of spendable resources. Such information is useful in assessing the county's financing requirements. Fund balance may serve as a useful measure of the county's net resources available for spending at the end of the fiscal year.

The financial performance of the county as a whole is reflected in its governmental funds. As the county completed the year, its governmental funds reported a combined fund balance of \$16,354,607 an increase of \$6,350,870. This increase was primarily due to increased expenses, decreased grant revenues receive, and an increase in the proceeds from issuance of debt.

The General Fund is the principal operating fund of the county. The decrease in fund balance in the General Fund for the fiscal year was \$465,112. The fund balance of the Road and Bridge Fund decreased by 384,545. The fund balance of the GO Indebtedness Fund increased by \$7,698,072. The COVID Fund balance increased by 21,477. The fund balance of Other Governmental Funds showed a decrease of \$519,022.

BUDGETARY HIGHLIGHTS

Over the course of the year, the county revised the annual operating budget. This was due to new grants and unanticipated expenses.

**LEFLORE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED SEPTEMBER 30, 2022**

A schedule showing the original and final budget amounts compared to the county's actual financial activity for the General Fund and other major special revenue funds is provided in this report as required supplementary information.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. As of September 30, 2022, the county's total capital assets were \$144,711,806, including land, construction in progress, buildings, improvements other than buildings, infrastructure, mobile equipment, furniture and equipment and intangible right to use equipment. This amount represents a decrease of \$596,485 from the previous year. The majority of this decrease is due to depreciation expense and a prior period adjustment.

Total accumulated depreciation as of September 30, 2022, was \$88,796,840 and total depreciation expense for the year was \$3,172,436.

The balance in total net capital assets was \$55,914,966 at year end.

Additional information on the county's capital assets can be found in Note 6 of this report.

Debt Administration. At September 30, 2022, the county had \$28,371,137 in general obligation bonds, leases payable, other loans and compensated absences outstanding, of which \$2,515,313 is due within one year.

The county maintains an A1 bond rating.

Additional information on the county's long-term debt can be found in Note 10 of this report.

CONTACTING THE COUNTY'S FINANCIAL MANAGEMENT

If you have any questions about this report, contact the Chancery Clerk's Office of Leflore County, P.O. Box 250, Greenwood, Mississippi 38935-0250.

LEFLORE COUNTY

FINANCIAL STATEMENTS

LEFLORE COUNTY
Statement of Net Position
September 30, 2022

Exhibit 1

	Primary Government	Component
	Governmental	Unit
	Activities	Greenwood Leflore Hospital
ASSETS		
Cash	\$ 23,517,921	4,250,916
Assets limited as to use	-	2,545,568
Patient accounts receivable (net of allowance for doubtful accounts of \$45,115,318)	-	6,883,027
Property tax receivable	16,596,558	-
Accounts receivable (net of allowance for uncollectibles of \$1,809,853)	502,917	-
Fines receivable (net of allowance for uncollectibles of \$5,565,683)	1,298,654	-
Lease receivable	640,979	-
Intergovernmental receivables	387,586	-
Estimated third-party payor settlements	-	1,161,679
Other receivables	30,181	1,734,658
Inventories	-	2,668,853
Prepaid expenses and other current assets	-	1,643,225
Other assets	-	282,494
Intangibles	-	1,024,940
Capital assets:		
Land and construction in progress	9,193,363	1,949,917
Other capital assets, net	46,721,603	34,032,765
Total Assets	98,889,762	58,178,042
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	4,252,663	5,532,764
Deferred amount on refunding	288,629	-
Total Deferred Outflows of Resources	4,541,292	5,532,764
LIABILITIES		
Claims payable	1,230,035	
Unearned revenues	5,474,218	
Accounts payable	-	5,648,571
Accrued expenses, including payroll taxes withheld	-	6,234,669
Contract liability	-	5,595,612
CARES Act deferred revenue	-	244,945
Intergovernmental payables	874,416	-
Accrued interest payable	196,865	-
Net pension liability	23,107,193	18,918,424
Due within one year:		
Capital debt	2,515,313	1,678,053
Due in more than one year:		
Capital debt	24,074,538	1,195,534
Non-capital debt	1,781,286	-
Total Liabilities	59,253,864	39,515,808
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	6,711	62,818
Deferred revenues - property taxes	16,596,558	
Deferred inflows related to leases	643,391	
Total Deferred Inflows of Resources	17,246,660	62,818
NET POSITION		
Net investment in capital assets	29,613,744	33,109,095
Restricted for:		
Use in self-insurance		2,545,568
Specific operating activities		45,702
Expendable:		
General government	311,210	
Public safety	1,245,288	
Public works	8,994,121	
Economic development and assistance	388,105	
Unemployment compensation	36,946	
Debt service	891,085	
Unrestricted	(14,549,969)	(11,568,185)
Total Net Position	\$ 26,930,530	24,132,180

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

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

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Component Unit Greenwood Leflore Hospital
Primary government:						
Governmental activities:						
General government	\$ 6,509,908	968,683	226,130	-	(5,315,095)	
Public safety	6,548,801	934,636	149,285	-	(5,464,880)	
Public works	9,255,433	823,044	839,912	1,263,101	(6,329,376)	
Health and welfare	762,452	-	182,458	-	(579,994)	
Culture and recreation	902,809	-	-	-	(902,809)	
Conservation of natural resources	127,172	-	-	-	(127,172)	
Economic development and assistance	757,232	-	-	-	(757,232)	
Interest on long-term debt	598,290	-	-	-	(598,290)	
Pension expense	1,208,244	-	-	-	(1,208,244)	
Total Governmental Activities	<u>26,670,341</u>	<u>2,726,363</u>	<u>1,397,785</u>	<u>1,263,101</u>	<u>(21,283,092)</u>	
Total Primary Government	\$ <u>26,670,341</u>	<u>2,726,363</u>	<u>1,397,785</u>	<u>1,263,101</u>	<u>(21,283,092)</u>	
Component unit:						
Greenwood Leflore Hospital	\$ 110,240,609	84,275,716	-	-		(25,964,893)
Total Component Unit	\$ <u>110,240,609</u>	<u>84,275,716</u>	<u>-</u>	<u>-</u>		<u>(25,964,893)</u>
General revenues:						
Property taxes				\$ 15,728,775	-	
Road & bridge privilege taxes				340,958	-	
Grants and contributions not restricted to specific programs				543,796	9,594,839	
Unrestricted interest income				149,410		
Investment income(loss)				-	(191,212)	
Miscellaneous				1,026,543	-	
Impairment on capital assets				-	(542,494)	
Gain (Loss) on disposal of assets				-	(42,561)	
Total General Revenues				<u>17,789,482</u>	<u>8,818,572</u>	
Changes in Net Position				<u>(3,493,610)</u>	<u>(17,146,321)</u>	
Net Position - Beginning, as previously reported				29,227,427	41,278,501	
Prior period adjustment				1,196,713	-	
Net Position - Beginning, as restated				<u>30,424,140</u>	<u>41,278,501</u>	
Net Position - Ending				\$ <u>26,930,530</u>	<u>24,132,180</u>	

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

LEFLORE COUNTY
Balance Sheet – Governmental Funds
September 30, 2022

Exhibit 3

	Major Funds					Total Governmental Funds
	General Fund	Road and Bridge Fund	COVID Fund	GO Indebtedness Bond Fund	Other Governmental Funds	
ASSETS						
Cash	\$ 5,761,089	111,533	5,499,464	7,834,163	4,311,672	23,517,921
Property tax receivable	12,318,267	398,749			3,879,542	16,596,558
Accounts receivable (net of allowance for uncollectibles of \$1,809,853)					502,917	502,917
Fines receivable (net of allowance for uncollectibles of \$5,565,683)	1,298,654					1,298,654
Lease receivable	523,838				117,141	640,979
Intergovernmental receivables	337,001				50,585	387,586
Other receivables	30,181					30,181
Due from other funds		28,528			43,346	71,874
Advances to other funds	133,749					133,749
Total Assets	\$ 20,402,779	538,810	5,499,464	7,834,163	8,905,203	43,180,419
LIABILITIES						
Liabilities:						
Claims payable	\$ 513,178	33,441		136,091	547,325	1,230,035
Intergovernmental payables	865,996					865,996
Due to other funds	80,294					80,294
Advances from other funds					133,749	133,749
Unearned revenues			5,474,218			5,474,218
Total Liabilities	\$ 1,459,468	33,441	5,474,218	136,091	681,074	7,784,292
DEFERRED INFLOWS OF RESOURCES:						
Unavailable revenue - property taxes	12,318,267	398,749			3,879,542	16,596,558
Leases	532,486				110,905	643,391
Unavailable revenue - accounts receivable					502,917	502,917
Unavailable revenue - fines	1,298,654					1,298,654
Total Deferred Inflows of Resources	\$ 14,149,407	398,749	-	-	4,493,364	19,041,520
Fund balances:						
Nonspendable:						
Advances	133,749	-	-	-	-	133,749
Restricted for:						
General government	-	-	-	-	311,210	311,210
Public safety	-	-	25,246	-	717,125	742,371
Public works	-	106,620	-	7,698,072	1,189,429	8,994,121
Economic development and assistance	-	-	-	-	388,105	388,105
Debt service	-	-	-	-	1,087,950	1,087,950
Unemployment compensation	-	-	-	-	36,946	36,946
Unassigned	4,660,155	-	-	-	-	4,660,155
Total Fund Balances	\$ 4,793,904	106,620	25,246	7,698,072	3,730,765	16,354,607
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 20,402,779	538,810	5,499,464	7,834,163	8,905,203	43,180,419

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

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

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 16,354,607
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$88,796,840	55,914,966
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	1,801,571
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(28,371,137)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(23,107,193)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(196,865)
Deferred amount on refunding	288,629
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:	
Deferred outflows of resources related to pensions	4,252,663
Deferred inflows of resources related to pensions	<u>(6,711)</u>
Total Net Position - Governmental Activities	\$ <u>26,930,530</u>

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

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

	Major Funds					Total Governmental Funds
	General Fund	Road and Bridge Fund	COVID Fund	GO Indebtedness Bond Fund	Other Governmental Funds	
REVENUES						
Property taxes	\$ 11,188,857	410,763			4,129,155	15,728,775
Road and bridge privilege taxes		340,958				340,958
Licenses, commissions and other revenue	428,273				19,529	447,802
Fines and forfeitures	291,570					291,570
Intergovernmental revenues	1,129,796	770,557			1,304,329	3,204,682
Charges for services	661,888				951,451	1,613,339
Interest income	52,520	4,817	21,477	32,673	37,923	149,410
Miscellaneous revenues	550,101				76,158	626,259
Total Revenues	<u>14,303,005</u>	<u>1,527,095</u>	<u>21,477</u>	<u>32,673</u>	<u>6,518,545</u>	<u>22,402,795</u>
EXPENDITURES						
Current:						
General government	6,363,118				407,128	6,770,246
Public safety	6,250,943				740,312	6,991,255
Public works	120,000	4,294,430		1,873,601	3,417,346	9,705,377
Health and welfare	710,689					710,689
Culture and recreation	750,352					750,352
Conservation of natural resources	108,316					108,316
Economic development and assistance	200,480				29,077	229,557
Debt service:						
Principal	99,456	542,042			1,876,318	2,517,816
Interest	3,752	25,944			524,568	554,264
Total Expenditures	<u>14,607,106</u>	<u>4,862,416</u>	<u>-</u>	<u>1,873,601</u>	<u>6,994,749</u>	<u>28,337,872</u>
Excess of Revenues over (under) Expenditures	<u>(304,101)</u>	<u>(3,335,321)</u>	<u>21,477</u>	<u>(1,840,928)</u>	<u>(476,204)</u>	<u>(5,935,077)</u>
OTHER FINANCING SOURCES (USES)						
Long-term capital debt issued	194,016	1,198,473		10,000,000	462,000	11,854,489
Leases issued	9,523					9,523
Proceeds from sale of capital assets		384,441				384,441
Compensation for loss of capital assets		1,952			13,891	15,843
Transfers in		1,500,000			959,640	2,459,640
Transfers out	(364,550)	(134,090)		(461,000)	(1,500,000)	(2,459,640)
Total Other Financing Sources and Uses	<u>(161,011)</u>	<u>2,950,776</u>	<u>-</u>	<u>9,539,000</u>	<u>(64,469)</u>	<u>12,264,296</u>
Net Changes in Fund Balances	<u>(465,112)</u>	<u>(384,545)</u>	<u>21,477</u>	<u>7,698,072</u>	<u>(540,673)</u>	<u>6,329,219</u>
Fund Balances - Beginning, as previously reported	5,259,016	491,165	3,769	-	4,249,787	10,003,737
Prior period adjustment					21,651	21,651
Fund Balances - Beginning, as restated	<u>5,259,016</u>	<u>491,165</u>	<u>3,769</u>	<u>-</u>	<u>4,271,438</u>	<u>10,025,388</u>
Fund Balances - Ending	\$ <u>4,793,904</u>	<u>106,620</u>	<u>25,246</u>	<u>7,698,072</u>	<u>3,730,765</u>	<u>16,354,607</u>

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

LEFLORE 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 Changes in Fund Balances - Governmental Funds	\$ 6,329,219
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that depreciation of \$3,172,436 exceeded capital outlays of \$2,242,707 in the current period.	(929,729)
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 gain on sale of assets of \$376,615 decreased by the proceeds from disposal of \$384,441.	(7,826)
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.	205,753
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.	167,899
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 \$2,517,816 exceeded debt proceeds of \$11,864,012.	(9,346,196)
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Amortization of bond premium	8,490
Amortization of bond discount	(27,714)
Amortization of refunding charges on long-term debt	(41,231)
Compensated absences payable	(40,843)
Accrued interest payable	16,429
In the Statement of Activities, only interest income from payments received on capital leases are reported, whereas in the governmental funds, both principal and interest payments received increase financial resources. Thus, the change in net position differs from change in fund balances by the principal collections on the capital leases.	
Some items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recording of pension expense for the current period	(1,208,244)
Recording of contributions made during the year	1,380,383
Change in Net Position of Governmental Activities	\$ <u>(3,493,610)</u>

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

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

Exhibit 5

STATEMENT OF FIDUCIARY NET POSITION

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 87,334
Due from other funds	8,420
Total Assets	<u>95,754</u>
LIABILITIES	
Amounts held in custody for others	95,754
Total Liabilities	<u>\$ 95,754</u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	-
Total Net Position	<u>-</u>

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

	Custodial Funds
ADDITIONS	
Fee collections for other agencies	\$ 331,854
Tax collections for other governments	881,168
Total Additions	<u>1,213,022</u>
DEDUCTIONS	
Payments of fees to other agencies	331,854
Payments of tax to other governments	881,168
Total Deductions	<u>1,213,022</u>
Net increase (decrease) in fiduciary net position	-
Net Position - Beginning	-
Net Position - Ending	<u>-</u>

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

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

A. Financial Reporting Entity.

Leflore 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 Leflore County to present these financial statements on the primary government and its component unit which has a significant operational or financial relationship with the County.

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

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

B. Individual Component Unit Disclosures.

Discretely Presented Component Unit

The component unit column in the financial statements includes the financial data of the following component unit of the County. It is reported in a separate column to emphasize that it is legally separate from the County.

The Greenwood Leflore Hospital is a 208-bed acute care hospital and related psychiatric, rehabilitation and outpatient care facilities and physician clinics principally located in Greenwood, Mississippi.

C. Basis of Presentation.

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

Government-wide Financial Statements:

The Statement of Net Position and the Statement of Activities display information concerning the County as a whole. The statements include all nonfiduciary activities of the primary government and its component unit. 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 non-exchange revenues. The primary government is reported separately from its legally separate component unit for which the primary government is financially accountable.

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

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

Fund Financial Statements:

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

D. Measurement Focus and Basis of Accounting.

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

Governmental 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.

Road and Bridge Fund - This fund is used to account for monies from specific revenue sources that are restricted for roads and bridges.

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

GO Indebtedness Bond Fund - This fund is used to account for monies resulting from the issuance of a 2022 General Obligation Bond that are restricted for the constructing, reconstructing, and repairing roads, highways, bridges, and acquiring the necessary land, and including land for road building materials.

COVID Fund - This fund is used to account for revenues designated by federal grants and the related expenditures.

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 expenditures 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 expenditures 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.

FIDUCIARY FUND TYPE

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

E. Account Classifications.

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

F. Deposits and Investments.

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

Cash includes cash on hand, demand deposits, all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair market value.

G. Receivables.

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

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

H. Interfund Transactions and Balances.

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

I. Capital Assets.

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the governmental activities column in the government-wide financial statements. All purchased capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which capital assets, other than infrastructure, have been estimated, and the methods of estimation, are not readily available. Donated capital assets are recorded at estimated fair market value at the time of donation. The costs of normal maintenance and repairs that do not add to the value of assets or materially extend their respective lives are not capitalized; however, improvements are capitalized. Interest expenditures are not capitalized on capital assets.

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

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

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

J. Deferred Outflows/Inflows of Resources.

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

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

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

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

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

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

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

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

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.

K. Pensions.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, 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 benefit terms. Investments are reported at fair value.

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

L. Leases.

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

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

M. Long-term liabilities.

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

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

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

N. Compensated Absences.

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

O. Equity Classifications.

Government-wide Financial Statements:

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

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

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

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

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 any of these unrestricted classifications could be used, it is the County’s general policy to spend committed resources first, followed by assigned amounts, and then unassigned amounts.

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

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

Non-spendable 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 principal balance of a permanent fund.

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

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

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

P. Property Tax Revenues.

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

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

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 the original purchase.

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

Q. Intergovernmental Revenues in Governmental Funds.

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

R. Changes in Accounting Standards

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

Note 2 -PRIOR PERIOD ADJUSTMENTS

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

Exhibit 2 – Statement of Activities

Explanation	Amount
To correct prior year errors in recording capital assets.	1,362,265
To implement GASB 87 in relation to the intangible right to use equipment	5,884
To correct prior years errors in recording Long term debt	(193,087)
To implement GASB 87 in relation to the lease receivable.	21,651
 Total prior period adjustments	 1,196,713

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

Exhibit 4 – Statement of Revenue, Expenditures, and Changes in Fund balances – Governmental Funds

Explanation	Amount
To implement GASB 87 in relation to the lease receivable.	21,651
Total prior period adjustments	21,651

NOTE 3 – DEPOSITS AND INVESTMENTS.

Deposits:

Leflore County:

The carrying amount of the County's total deposits with financial institutions at September 30, 2022, was \$23,605,255 and the bank balance was \$24,306,905. The collateral for public entities' deposits in financial institutions is held in the name of the State Treasurer under a program established by the Mississippi State Legislature and is governed by Section 27-105-5, Miss. Code Ann. (1972). Under this program, the entity's funds are protected through a collateral pool administered by the State Treasurer. Financial institutions holding deposits of public funds must pledge securities as collateral against those deposits. In the event of failure of a financial institution, securities pledged by that institution would be liquidated by the State Treasurer to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

Greenwood Leflore Hospital:

Custodial credit risk is the risk that, in the event of a bank failure, the Hospital's deposits might not be recovered. The collateral for public entities' deposits in financial institutions are 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 Hospital'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 Depository Insurance Corporation ("FDIC"). All deposits with financial institutions must be collateralized in an amount equal to 105 percent of uninsured deposits and are therefore fully insured. The bank balance of the collateralized and insured balances was \$6,407,320 at September 30, 2022, including money market accounts listed below.

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

Deposits are presented on the statements of net position as of September 30, 2022, as follows:

<u>Description</u>	<u>Amount</u>
Cash and cash equivalents	\$ 4,250,916
Assets limited as to use, current	<u>2,545,568</u>
 Total	 \$ <u><u>6,796,484</u></u>

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>
Road and Bridge Fund	General Fund	\$ 28,528
Other Governmental Funds	General Fund	43,346
Custodial Funds	General Fund	<u>8,420</u>
		\$ <u><u>80,294</u></u>

Receivables represent tax revenues and law library fees 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	Other Governmental Funds	<u>133,749</u>

The amounts payable to the General Fund are unpaid loans for operating expenses made in prior years.

C. Transfers In/Out

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Road and Bridge Fund	Other Governmental Funds	1,500,000
Other Governmental Funds	General Fund	364,550
Other Governmental Funds	Road and Bridge Fund	134,090
Other Governmental Funds	GO Indebtedness Bond Fund	<u>461,000</u>
		\$ <u><u>2,459,640</u></u>

Transfers to the Road and Bridge Fund are reimbursement for bridge expenditures and/or to fund projects. All other inter-fund transfers were routine and consistent with the activities of the fund making the transfer.

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 5 - INTERGOVERNMENTAL RECEIVABLES.

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

Description	Amount
Legislative Tag Credit	\$ 206,395
Housing of prisoners	64,937
State of Mississippi - Supreme Court	52,028
State of Mississippi - DHS	13,641
E911 Fees	33,004
Garbage fees	17,581
	<u>\$ 387,586</u>

NOTE 6 - CAPITAL ASSETS.

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

GOVERNMENTAL ACTIVITIES	Balance				Balance
	Oct. 1, 2021	Additions	Deletions	Adjustment	Sept. 30, 2022
Non-depreciable capital assets:					
Land	4,368,269	-	-	(18,500)	4,349,769
Construction in progress	2,055,080	1,269,294	-	1,519,220	4,843,594
Total non-depreciable capital assets	<u>6,423,349</u>	<u>1,269,294</u>	<u>-</u>	<u>1,500,720</u>	<u>9,193,363</u>
Depreciable capital assets:					
Infrastructure	97,862,087			(3,629,722)	94,232,365
Buildings	21,986,935			(1,434,306)	20,552,629
Improvements other than buildings	4,123,291	74,675		169,589	4,367,555
Mobile equipment	7,728,443	862,955		4,401,084	12,992,482
Furniture & equipment	3,245,139	26,260	39,128	109,554	3,341,825
Leased property under capital lease	3,939,047			(3,939,047)	-
Intangible right to use equipment		9,523		22,064	31,587
Total depreciable capital assets	<u>138,884,942</u>	<u>973,413</u>	<u>39,128</u>	<u>(4,300,784)</u>	<u>135,518,443</u>
Less accumulated depreciation for:					
Infrastructure	67,274,211	124,904		(54,079)	67,345,036
Buildings	8,636,437	822,106		(1,845,258)	7,613,285
Improvements other than buildings	2,764,099	326,155		(76,287)	3,013,967
Mobile equipment	6,514,963	1,745,643		(288,584)	7,972,022
Furniture & equipment	2,908,777	148,263	31,302	(194,753)	2,830,985
Leased property under capital lease	1,725,432			(1,725,432)	-
Intangible right to use equipment		5,365		16,180	21,545
Total accumulated depreciation	<u>89,823,919</u>	<u>3,172,436</u>	<u>31,302</u>	<u>(4,168,213)</u>	<u>88,796,840</u>
Depreciable capital assets, net	<u>49,061,023</u>	<u>(2,199,023)</u>	<u>7,826</u>	<u>(132,571)</u>	<u>46,721,603</u>
Governmental activities capital assets, net	<u>55,484,372</u>	<u>(929,729)</u>	<u>7,826</u>	<u>1,368,149</u>	<u>55,914,966</u>

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. Other adjustments are to reclassify completed construction in progress to infrastructure.

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

Depreciation expense was charged to the governmental functions, as follows:

	Total
General government	209,423
Public safety	607,529
Public works	1,557,220
Health & welfare	71,720
Culture & recreation	175,208
Conservation of natural resources	23,661
Economic development & assistance	527,675
Total governmental activities depreciation expense	3,172,436

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

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
Hwy 7/HWY 49 Connector Road	Unknown	Unknown
CR537 Lake Henry Bridge	Unknown	Unknown

Greenwood Leflore Hospital

	Balance Oct. 1, 2021	Additions	Deletions	Balance Sept. 30, 2022
Non-depreciable capital assets:				
Land	578,395			578,395
Construction in progress	1,238,237	550,765	1,782,317	6,685
Total non-depreciable capital assets	1,816,632	550,765	1,782,317	585,080
Depreciable capital assets:				
Land Improvements	1,343,580	27,942		1,371,522
Buildings	57,123,778	635,206		57,758,984
Fixed equipment	7,914,713	114,584		8,029,297
Movable equipment	135,477,672	679,518	317,848	135,839,342
Leased assets	1,640,649	122,700		1,763,349
Total depreciable capital assets	203,500,392	1,579,950	317,848	204,762,494
Less accumulated depreciation for:				
Land Improvements	493,289	32,915		526,204
Buildings	22,606,366	2,290,077		24,896,443
Fixed equipment	4,133,500	2,369,334		6,502,834
Movable equipment	135,300,453	823,532	338,497	135,785,488
Leased assets	490,856	1,163,067		1,653,923
Total accumulated depreciation	163,024,464	6,678,925	338,497	169,364,892
Depreciable capital assets, net	40,475,928	(5,098,975)	(20,649)	35,397,602
Governmental activities capital assets, net	42,292,560	(4,548,210)	1,761,668	35,982,682

Depreciation expense for the year ended September 30, 2022, totaled \$6,678,925.

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

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 - LEASES.

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

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

The County generally uses its Federal Prime Borrowing Rate at lease inception as the discount rate for leases unless the rate that the lessor charges is known. The lease term includes the non-cancellable period of the lease plus any additional periods covered by either a county or lessor option to extend for which it is reasonably certain to be exercised or terminate for which it is reasonably certain to not be exercised. Periods in which both the County and the lessor have a unilateral option to terminate (or if both parties have agreed to extend) are excluded from the lease term.

The County, acting as lessee, has entered into an agreement with Pitney Bowes for the lease of a postage machine. The lease stipulated that the lessee would pay approximately \$409.80 per month in lease payments commencing for a term of 60 months. For this lease, the County has recognized an intangible right to use asset. The lease is initially measured at the present value of payments expected to be made. The discount rate used for this lease was 4.50% which was the Federal Prime Borrowing Rate at the lease inception.

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

The County, acting as lessee, has entered into an agreement with Pitney Bowes for the lease of a postage machine. The lease stipulated that the lessee would pay approximately \$175.93 per month in lease payments commencing for a term of 60 months. For this lease, the County has recognized an intangible right to use asset. The lease is initially measured at the present value of payments expected to be made. The discount rate used for this lease was 3.50% which was the Federal Prime Borrowing Rate at the lease inception.

As Lessee:

Lease Assets

	Balance 10/1/2021	Additions	Amortization	Adjustment	Balance 9/30/2022
Intangible right to use equipmer \$	-	-	4,413	5,884	1,471
Intangible right to use equipment	-	9,523	952	-	8,571
Total	\$ -	9,523	5,365	5,884	10,042

See Note 6 for further details regarding intangible right-to-use assets, which represents leased assets.

Lease Liabilities

	Balance 10/1/2021	Additions	Principal Payments	Adjustment	Balance 9/30/2022
Postage machine	\$ -	-	4,728	6,352	1,624
Postage machine	-	9,523	745	-	8,778
Total	\$ -	9,523	5,473	6,352	10,402

Description	Discount Rate	Term	Issue Date	Maturity Date	Monthly Payment	Amount Outstanding
Postage machine	4.50%	5 years	2/10/2018	2/9/2023	\$ 410	\$ 1624
Postage machine	3.50%	5 years	4/30/2022	4/27/2027	176	8778
					<u>586</u>	<u>10,402</u>

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

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

Year Ending September 30	Governmental Activities	
	Principal	Interest
2023	\$ 3,457	293
2024	1,898	213
2025	1,966	145
2026	2,036	75
2027	1,045	11
Total	\$ 10,402	737

As Lessor:

On October 7, 2013 the County entered into a lease agreement with Coburn Supply Company. The lease stipulated that the lessee would pay approximately \$7,966 per month in lease payments commencing on January 1, 2014, for a term of 10 years. The County is to receive \$7,966 in lease payments annually with a stated interest rate of 3.00%.

On January 10, 2022 Leflore County entered into a lease agreement with Lawyer Wheeler for the lease of various parcels of land, located in the County, for agricultural purposes. The lease stipulated that the lessee would pay approximately \$39,500 annually in lease payments commencing January 1, 2022 for a term of 5 years. The County is to receive \$39,500 in lease payments annually with an implicit interest rate of 3.25%.

On January 10, 2022 Leflore County entered into a lease agreement with Lawyer Wheeler for the lease of various parcels of land located in the County for agricultural purposes. The lease stipulated that the lessee would pay approximately \$19,850 annually in lease payments commencing January 1, 2022 for a term of 5 years. The County is to receive \$19,850 in lease payments annually with an implicit interest rate of 3.25%.

On January 10, 2022 Leflore County entered into a lease agreement with Lawyer Wheeler for the lease of various parcels of land located in the County for agricultural purposes. The lease stipulated that the lessee would pay approximately \$8,400 annually in lease payments commencing January 1, 2022 for a term of 5 years. The County is to receive \$8,400 in lease payments annually with an implicit interest rate of 3.25%.

On January 10, 2022 Leflore County entered into a lease agreement with Lawyer Wheeler for the lease of various parcels of land located in the County for agricultural purposes. The lease stipulated that the lessee would pay approximately \$34,500 annually in lease payments commencing January 1, 2022 for a term of 5 years. The County is to receive \$34,500 in lease payments annually with an implicit interest rate of 3.25%.

On January 10, 2022 Leflore County entered into a lease agreement with GCMC Farms for the lease of various parcels of land located in the County for agricultural purposes. The lease stipulated that the lessee would pay approximately \$14,200 annually in lease payments commencing January 1, 2022 for a term of 5 years. The County is to receive \$14,200 in lease payments annually with an implicit interest rate of 3.25%.

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

On January 10, 2022 Leflore County entered into a lease agreement with GCMC Farms for the lease of various parcels of land located in the County for agricultural purposes. The lease stipulated that the lessee would pay approximately \$4,320 annually in lease payments commencing January 1, 2022 for a term of 5 years. The County is to receive \$4,320 in lease payments annually with an implicit interest rate of 3.25%.

On January 10, 2022 Leflore County entered into a lease agreement with Poe Planting Company for the lease of various parcels of land located in the County for agricultural purposes. The lease stipulated that the lessee would pay approximately \$21,000 annually in lease payments commencing January 1, 2022 for a term of 5 years. The County is to receive \$21,000 in lease payments annually with an implicit interest rate of 3.25%.

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

Year Ending September 30	Principal	Interest
2023	\$ 218,106	19,263
2024	152,580	13,089
2025	132,985	8,785
2026	137,308	4,462
Total	\$ 640,979	45,599

NOTE 9 - DEFINED BENEFIT PENSION PLAN.

Leflore County

General Information about the Pension Plan

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

Benefits Provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

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

Contributions. At September 30, 2022, PERS members were required to contribute 9% of their annual covered salary, and the County is required to contribute at an actuarially determined rate. The employer's rate at September 30, 2022 was 17.40% of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The County's contributions (employer share only) to PERS for the years ending September 30, 2022, 2021 and 2020 were \$1,380,382, \$1,278,329 and \$1,223,581, 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 \$23,107,193 for its proportionate share of the net pension liability. The net pension liability was measured at June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The County's proportionate share used to calculate the September 30, 2022, net pension liability was 0.11226 percent, which was based on a measurement date of June 30, 2022. This was an increase of .0037 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 \$1,208,244. At September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 321,978	-
Net difference between projected and actual earnings on pension plan investments	1,330,919	-
Changes of assumptions	773,125	-
Changes in the proportion and differences between the County's contributions and proportionate share of contributions	1,469,496	6,711
County contributions subsequent to the measurement date	357,145	
Total	\$ 4,252,663	6,711

The \$357,145 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending September 30	Amount
2023	\$ 1,301,952
2024	1,109,128
2025	223,868
2026	1,253,859
Total	\$ 3,888,807

Actuarial Assumptions. The total pension liability as of June 30, 2022 was determined by an actuarial valuation prepared as of June 30, 2021, and by the investment experience for the fiscal year ending June 30, 2022. The following actuarial assumptions are applied to all periods in the measurement:

Inflation	2.40 percent
Salary increases	2.65 – 17.90 percent, including inflation
Investment rate of return	7.55 percent, net of pension plan investment expense, including inflation

Mortality rates for service retirees were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	25.00 %	4.60 %
International Equity	20.00	4.50
Global Equity	12.00	4.85
Fixed Income	18.00	1.40
Real Estate	10.00	3.65
Private Equity	10.00	6.00
Private Infrastructure	2.00	4.00
Private Credit	2.00	4.00
Cash Equivalents	<u>1.00</u>	(0.10)
Total	<u>100.00 %</u>	

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

Sensitivity to the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.55 percent, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

that is 1-percentage-point lower (6.55 percent) or 1-percentage-point higher (8.55 percent) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
	(6.55%)	(7.55%)	(8.55%)
County's proportionate share of net pension liability	\$ 30,157,247	23,107,193	17,294,782

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

DEFINED BENEFIT PENSION PLAN - COMPONENT UNIT

Greenwood Leflore Hospital

Greenwood Leflore Hospital Pension Plan (the "Plan") is a single-employer defined benefit pension plan sponsored by the Hospital. The Plan provides retirement, disability, and death benefits to Plan members and beneficiaries. The Hospital elected to freeze the Plan to new members as of March 31, 2012. The Plan issues a publicly available financial report that can be obtained from the Chief Financial Officer of Greenwood Leflore Hospital at P.O. Box 1410, Greenwood, Mississippi, 38935.

For purposes of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to the defined benefit plan, and defined benefit pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported on the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Normal Retirement Benefit

The normal retirement date of a participant is the first day of the calendar month coincident with or next following his attainment of age 65 and completion of five years of service.

The normal retirement benefit, payable monthly for life, is equal to the sum of (i), (ii) and (iii) as follows:

- (i) For service before October 1, 1972:
 - a. 1.00 percent of average compensation multiplied by benefit service through September 30, 1972.
- (ii) For service from October 1, 1972 through September 30, 1988:
 - a. 0.85 percent of average compensation plus 1.00 percent of average compensation in excess of \$15,000, all multiplied by benefit service from October 1, 1972 through September 30, 1988 (limited to 16 years).
- (iii) For each year of participation on and after October 1, 1988:
 - a. 1.25 percent of compensation for a given year of participation plus 0.65 percent of compensation for that year in excess of the integration level for that year.

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

"Years of participation" as used in (iii) above for the benefit attributable to compensation in excess of the integration level cannot exceed 35 years minus the number of years of benefit service used in (ii) above.

"Average compensation" is the average of a participant's compensation for the three consecutive plan years preceding October 1, 1988, which produce the highest average (or the average over all years of benefit service if less than three).

"Integration level" for a plan year means one-half of Social Security-covered compensation for an individual who reaches Social Security retirement age in that year, but not less than \$10,000.

Summary of Participant Data

1. Inactive Plan Participants	_____
a.) Retirees and beneficiaries currently receiving benefits	374
b.) Terminated employees entitled to deferred benefits	583
c.) Disabled employees entitled to deferred benefits	-
d.) Total	957
2. Active Plan Participants	
a.) Vested	261
b.) Nonvested	-
c.) Total	261
3. Total Plan Participants	1,218

Funding Policy

Although a formal funding policy has not been established, the Hospital generally contributes the amount necessary to fund the Plan at an actuarially determined rate. Employees are not allowed to contribute to the Plan. The current actuarially required minimum rate is 1.7 percent of annual covered payroll. The Hospital's contributions to the Plan for the year ended September 30, 2022 were \$1,519,619 equal to the actuarial determined annual contributions for each year.

Net Pension Liability

The Hospital's net pension liability was measured as of September 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of October 1, 2021.

Summary of Assumptions

The total pension liability as of September 30, 2022, was measured using the following actuarial assumptions, applied to all periods in the measurement:

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

Investment Rate of Return – 7.20 percent, per annum, compounded annually

Discount Rate - 7.20 percent per annum, compounded annually

The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on that assumption, 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' projected benefit payments to determine the total pension liability.

Salary increases Not applicable, benefits are frozen

Effective September 30, 2022, the mortality table was changed from the RP-2014 Blue Collar, Separate Pre- and Post-Commencement, with separate Male and Female tables, fully Generational using Projections Scale MP-2020 to the RP-2014 Blue Collar, Separate Pre- and Post-Commencement, with separate Male and Female tables, fully Generational using Projections Scale MP-2021 to better recognize current and future mortality improvements.

All liabilities and normal costs are calculated based on the Entry Age Normal method.

Schedule of Changes in Net Pension Liability

	Total Pension Liability (a)	Increase(Decrease) Plan Net Position (b)	Net Pension Liability (a)-(b)
Balance at September 30, 2021	\$ 49,765,386	\$ 40,288,635	\$ 9,476,751
Changes for the Year:			
Interest	3,533,342		3,533,342
Difference between expected and actual experience	470,361		470,361
Changes of assumptions	(376,907)		(376,907)
Contributions - employer		1,519,619	(1,519,619)
Net investment income		(7,243,261)	7,243,261
Benefits paid/refunds	(3,208,071)	(3,208,071)	0
Administrative expenses		(91,235)	91,235
Net changes	<u>418,725</u>	<u>(9,022,948)</u>	<u>9,441,673</u>
Balance at September 30, 2022	\$ <u>50,184,111</u>	\$ <u>31,265,687</u>	\$ <u>18,918,424</u>

The following represents the net pension liability as calculated using the stated discount rate, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

1%	Current	1%
Decrease	Discount Rate	Increase
▼ (6.20%)	▼ (7.20%)	▼ (8.20%)
<u> </u>	<u> </u>	<u> </u>

Net pension liability \$ 24,294,384 18,918,424 14,400,369

The asset allocations for each major asset class at September 30, 2022, are summarized below in the following table:

Asset Class	Target Allocation
Mutual funds - fixed income	42.1%
Mutual funds - equities	43.0%
Common stock - equities	3.4%
International mutual funds	10.5%
Cash and cash equivalents	<u>1.0%</u>
Total	<u><u>100%</u></u>

Pension Expense and Deferred Outflows/Inflows of Resources

For the year ended September 30, 2022, the Hospital recognized pension expense of \$1,935,155. At September 30, 2022, the Hospital reported deferred outflows of resources and deferred inflows of resources related to the Plan from the following sources:

	2022
Deferred Outflows of resources	
Experience losses	\$ 78,392
Net difference between projected and actual earnings on pension plan investments	<u>5,454,372</u>
Total Deferred Outflows of resources	<u><u>5,532,764</u></u>
Deferred Inflows of resources	
Changes of assumptions	<u>(62,818)</u>
Total Deferred Inflows of resources	<u><u>\$ (62,818)</u></u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (benefit) as follows:

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

<u>Year ending September 30</u>	<u>Amount</u>
2023	\$ 1,152,965
2024	1,030,927
2025	1,278,061
2026	<u>2,007,993</u>
Total	\$ <u><u>5,469,946</u></u>

Amortization Period

Investment gains or losses are amortized over five years.

Changes in actuarial assumptions and experience gains or losses are amortized over the average working lifetime of all participants, which for the current period is 1.2 years for the measurement period ended September 30, 2022.

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 10 - LONG TERM DEBT.

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
A. General Obligation Bonds:			
GO Bonds, S2010	\$ 580,000	2.5-3.38%	04/2025
Jail Refunding, S2012	900,000	5.00%	12/2023
GO PI Bonds, S2012	2,340,000	3.00%	07/2032
GO Bonds, S2015	3,740,000	various	02/2035
GO Refunding Bonds, S2015	1,940,000	various	11/2028
GO PI Bonds, S2017	3,900,000	1.15-2.75%	09/2037
GO PI Bonds, S 2021	<u>10,000,000</u>	1.37-2.05%	02/2042
Total General Obligation Bonds	<u>\$ 23,400,000</u>		
B. Financed Purchases:			
6-2021 Dodge Ram 2500 Crew Cab Pick Up Trucks	\$ 112,440	1.60%	12/2023
6-2021 Dodge Ram Pickup Trucks (Sheriff's Office)	162,542	1.60%	11/2026
6-2018 Caterpillar Motor Graders	663,887	3.15%	10/2025
Ford F-150	19,514	1.65%	08/2024
Caterpillar Wheel Loader & Kenworth Tractor Trucks	420,503	1.82%	05/2025
10- JD Tractors, 5- JD Flex Wing Rotary Cutters, 5- Diamond Boom Mowers	1,024,585	1.53%	12/2026
E911 Upgrade Equipment	34,923	2.70%	04/2023
1-2019 Freightliner Garbage Truck	30,857	2.70%	10/2023
2-2020 Freightliner Garbage Trucks	209,175	2.20%	02/2025
1-2021 Caterpillar Dozer	134,349	1.79%	11/2026
2-2022 Kenworth Knuckleboom Trucks	<u>252,999</u>	1.24%	11/2026
Total Financed Purchases	<u>\$ 3,065,774</u>		
C. Other Loans:			
Coburn supply company	<u>\$ 79,864</u>	2.00%	09/2023
Total Other Loans	<u>\$ 79,864</u>		

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

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

Governmental Activities:

Year Ending September 30	General Obligation Bonds		Financed Purchases		Other Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,510,000	548,154	921,992	56,020	79,864	6,258
2024	1,711,000	504,602	885,107	32,526	-	-
2025	1,460,000	2,942,646	774,762	15,632	-	-
2026	1,485,000	426,878	395,843	4,405	-	-
2027	1,517,000	393,517	88,070	210	-	-
2028 - 2032	7,231,000	1,426,189	-	-	-	-
2033 - 2037	5,364,000	635,727	-	-	-	-
2038 - 2042	3,122,000	162,608	-	-	-	-
Total	\$ 23,400,000	7,040,321	3,065,774	108,793	79,864	6,258

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 8.04% of the latest property assessments.

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

	Balance Oct. 1, 2021	Additions	Reductions	Adjustments	Balance Sept. 30, 2022	Amount due within one year
Governmental Activities:						
Compensated absences	\$ 1,740,443	40,843	-	-	1,781,286	-
Claims and judgments					-	
General obligation bonds	14,925,000	10,000,000	1,525,000		23,400,000	1,510,000
Less:						
Discounts	(110,929)		(27,714)		(83,215)	
Add:						
Premiums	125,516		8,490		117,026	
Capital Leases	2,091,757			(2,091,757)	-	
Financed purchases		1,854,489	880,472	2,091,757	3,065,774	921,992
Leases payable		9,523	5,473	6,352	10,402	3,457
Other loans	186,735	-	106,871	-	79,864	79,864
Total	\$ 18,958,522	11,904,855	2,498,592	6,352	28,371,137	2,515,313

Compensated absences will be paid by the funds from which the employees' salaries were paid which are generally the General Fund, Road and Bridge Fund, and E-911 Fund.

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

LONG TERM DEBT - COMPONENT UNIT

Greenwood Leflore Hospital

A summary of long-term debt, including lease obligations at September 30, 2022 is as follows:

	2022
Bank of Commerce note payable, with an interest rate of 1.40 percent and payable in 12 monthly principal and interest payments of \$13,215, beginning November 2021 and ending November 2022 with a final payment of \$599,107	\$ 611,603
Lease obligations, with payments due through 2027, collateralized by leased equipment.	2,261,984
Total long-term debt and lease obligations	2,873,587
Less current maturities of long-term debt	(1,678,053)
Long-term debt and lease obligations, excluding current maturities	1,195,534

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

Year Ending September 30	Long-Term Debt		Lease Obligations	
	Principal	Interest	Principal	Interest
2023	\$ 611,603	1,436	1,066,450	42,837
2024	-	-	838,591	18,890
2025	-	-	350,110	1,980
2026	-	-	4,540	72
2027	-	-	2,293	12
Total	\$ 611,603	1,436	2,261,984	63,791

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

	Balance Oct. 1, 2021	Additions	Reductions	Balance Sept. 30, 2022	Amount due within one year
Notes payable	\$ 887,026		275,423	611,603	611,603
Lease Obligations	3,581,713	122,700	1,442,429	2,261,984	1,066,450
Total	\$ 4,468,739	122,700	1,717,852	2,873,587	1,678,053

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 11 – Deficit Fund Balances of Individual Funds.

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

Fund	Deficit Amount
Keep Mississippi Clean (Fund 176)	\$ 5,000

NOTE 12 - CONTINGENCIES.

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

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

NOTE 13 - EFFECT OF DEFERRED AMOUNTS ON NET POSITION.

The governmental activities' unrestricted net position deficit amount of \$(14,549,969) includes the effect of deferred inflows/outflows of resources related to pensions. A portion of the deferred outflow of resources related to pension in the amount of \$357,145 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 \$3,895,518 balance of the deferred outflow of resources related to pensions at September 30, 2022, will be recognized in pension expense over the next 4 years. The \$6,711 balance of the deferred inflow of resources related to pension at September 30, 2022, will be recognized in pension expense over the next 3 years.

The governmental activities' unrestricted net position deficit amount of \$(14,549,969) includes the effect of deferring the recognition of revenue resulting from lease receivables. The \$643,391 balance of deferred inflows of resources at September 30, 2022, will be recognized as revenue and will increase the unrestricted net position in future years.

The governmental activities' net investment in capital assets net position of \$29,613,744 includes the effect of deferring the recognition of expenditures resulting for an advance refunding of County debt. The \$288,629 balance of deferred outflows of resources at September 30, 2022, will be recognized as an expense and will decrease the net investment in capital assets net position over the next 7 years.

NOTE 14 -RELATED ORGANIZATIONS.

The Leflore County Board of Supervisors is responsible for appointing a voting majority of the members of the boards of the following organizations, but the county's accountability for these organizations does

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

not extend beyond making appointments and in making small appropriations, if any, to these organizations:

East Leflore Water & Sewer District
Minter City Water & Sewer District
Blue Lake Water & Sewer District
Phillipston Water District
Teoc Drainage District
Big Sand Drainage District
Abiaca Drainage District
Fighting Bayou Drainage District
Pecan Bayou Drainage District
Abotapoota Drainage District
Leflore County Drainage District
New Jones Walton Drainage District
Cude Drainage District
Rucker Ellsberry Drainage District
Lake Henry Drainage District

NOTE 15 -JOINT VENTURES.

The county participates in the following joint ventures:

Leflore County is a participant with the City of Greenwood in a joint venture, authorized by Section 61-3-5, Miss. Code Ann. (1972), to operate the Greenwood-Leflore County Airport. The joint venture was created to provide airport services and is governed by a five-member board of commissioners with two appointed by the Leflore County Board of Supervisors, two appointed by the City of Greenwood and one jointly appointed. By contractual agreement, the county's appropriation from the General Fund this year to the joint venture amounted to \$120,000. Complete financial statements for the Greenwood-Leflore Airport can be obtained from the Greenwood-Leflore County Airport, P.O. Box 378, Greenwood, MS 38930.

Leflore County is a participant with the City of Greenwood in a joint venture, authorized by Section 39 -3-8, Miss. Code Ann. (1972), to operate the Greenwood-Leflore Public Library. The joint venture was created to provide library services to the public and is governed by a five-member board of which two members are appointed by Leflore County and three members are appointed by the City of Greenwood. The county's appropriation from the General Fund this year to the joint venture amounted to \$171,935. Complete financial statements for the Greenwood-Leflore Public Library can be obtained from the following address: 405 West Washington, Greenwood, MS 38930.

NOTE 16 -JOINTLY GOVERNED ORGANIZATIONS.

The County participates in the following jointly governed organizations:

Region Six Mental Health/Mental Retardation Center Life Help operates in a district composed of the Counties of Attala, Carroll, Grenada, Holmes, Humphreys, Leflore, Montgomery, and Sunflower. The Leflore County Board of Supervisors appoints one of the eight members of the board of commissioners. Leflore County contributed \$121,500 for the support of the center in fiscal year 2022.

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

Yazoo-Mississippi Delta Water Management District operates in a district composed of the Counties of Bolivar, Carroll, Coahoma, DeSoto, Holmes, Humphreys, Issaquena, Leflore, Panola, Quitman, Sharkey, Sunflower, Tallahatchie, Tate, Tunica, Washington, and Yazoo. The Leflore County Board of Supervisors appoints two of the 21 members of the district board of commissioners. The county levied a .75 mill tax resulting in \$164,664 for the maintenance and support of the district in fiscal year 2022.

North Central Planning and Development District operates in a district composed of the Counties of Attala, Carroll, Grenada, Holmes, Leflore, Montgomery, and Yalobusha. The Leflore County Board of Supervisors appoints four of the 28 members of the district board of directors. Leflore County contributed \$33,212 for the support of the district in fiscal year 2022.

Mississippi Delta Community College operates in a district composed of the Counties of Bolivar, Coahoma, Humphreys, Issaquena, Leflore, Sharkey, Sunflower and Washington. The Leflore County Board of Supervisors appoints two of the 20 members of the college board of trustees. The county appropriated \$755,570 for maintenance and support of the college in fiscal year 2022.

Greenwood-Leflore Industrial Board members are appointed by the Greenwood-Leflore-Carroll Economic Foundation whose membership is open to the public. Leflore County and the City of Greenwood fund the industrial board equally. The county contributed \$98,382 in support of the industrial board in fiscal year 2022.

NOTE 17 - TAX ABATEMENT

Governmental Accounting Standards Board (GASB) Statement 77, *Tax Abatement Disclosures*, 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.

The Leflore County Board of Supervisors negotiates property tax abatements on an individual or entity basis with varying abatement periods. These abatements contribute to the economic development and citizenry of the County. The County had tax abatement agreements with ten entities as of September 30, 2022.

The County had abatements under the following statutes, which does not provide for the abatement of school or state tax levies: 27-31-101 and 27-31-105, Miss. Code (Ann.) 1972. All allowable property tax levies:

Category	Fiscal Year 2022	
	% of Taxes Abated	Ad Valorem Taxes Abated
Additions, expensions, or equipment replacement - personal property	100%	1,685,643

The companies were not required to comply with any special provisions in order to receive the abatements and the County made no commitments as part of the agreements other than to reduce taxes.

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

NOTE 18 – NET PATIENT SERVICE REVENUE

Greenwood Leflore Hospital

The Hospital has agreements with governmental and other third-party payors that provide for payments to the Hospital for services rendered at amounts different from its established rates. Patient revenue is reported net of contractual adjustments arising from these third-party arrangements, as well as net of provisions for uncollectible accounts. A summary of the payment arrangements with major third-party payors follows:

Medicare

Inpatient acute, rehabilitation and outpatient services rendered to Medicare beneficiaries are paid primarily by prospectively determined rates. These rates vary according to a patient classification system that is based on clinical, diagnostic, and other factors. Medicare bad debts and disproportionate share payments are paid at a tentative rate with final settlement determined after submission of annual cost reports by the Hospital and audits thereof by the Medicare fiscal intermediary.

Medicaid

Inpatient and outpatient services rendered to Medicaid program beneficiaries are reimbursed based upon the Ambulatory Payment Classification ("APC") system for outpatient payments APR-DRG system for inpatient payments.

The Hospital participates in the Division of Medicaid ("DOM") Mississippi Hospital Access Payment ("MHAP") program (the "MHAP Program"). The MHAP Program is administered by the DOM through the Mississippi CAN coordinated care organizations ("CCO"). The CCO's subcontract with the Hospitals throughout the state for distribution of the MHAP for the purpose of protecting patient access to hospital care. The MHAP payments and the associated tax were distributed and collected in equal installments during the months of December 2018 through June 2019 and monthly thereafter. The Hospital received approximately \$7,928,000 from the MHAP program with related tax assessments of approximately \$1,957,000 recorded in operating expenses for the year ended September 30, 2022.

Laws and regulations governing the Medicare and Medicaid program are extremely complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change. The 2022 net patient revenue increased approximately \$429,450 due to the prior year retroactive adjustments in excess of amounts previously estimated. The Hospital's cost reports have been settled through September 30, 2018.

Other

The Hospital has also entered into payment agreements with certain other commercial insurance carriers and preferred provider organizations. The basis for payment to the Hospital under these agreements includes prospectively determined rates and discounts from established charges.

The composition of net patient service revenue as of September 30, 2022, includes

LEFLORE COUNTY
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended September 30, 2022

	Amount
Gross patient service revenue	\$ 261,674,118
Less:	
Provisions for contractual adjustments	(166,896,019)
Provisions for bad debts	(14,322,479)
Net patient service revenue	\$ 80,455,620

NOTE 19 - SUBSEQUENT EVENTS.

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of Leflore County evaluated the activity of the County through April 9, 2024 (the date the financial statements were available to be issued) and determined that the following subsequent events have occurred requiring disclosure in the notes to the financial statements.

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

Issue Date	Interest Rate	Issue Amount	Type of Financing	Source of Financing
07/25/2023	Variable	\$ 10,000,000	Special Obligation Bond, Series 2023 (Hospital Project)	Pledge of payments under Loan Agreement

LEFLORE COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

LEFLORE 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	\$ 11,203,008	11,186,899	11,186,899	0
Licenses, commissions and other revenue	406,550	446,707	446,707	0
Fines and forfeitures	360,000	242,451	242,451	0
Intergovernmental revenues	1,073,050	1,142,563	1,142,563	0
Charges for services	685,000	596,951	596,951	0
Interest income	102,000	51,978	51,978	0
Miscellaneous revenues	159,800	557,437	557,437	0
Total Revenues	<u>13,989,408</u>	<u>14,224,986</u>	<u>14,224,986</u>	<u>0</u>
EXPENDITURES				
Current:				
General government	6,229,816	6,323,491	6,323,491	0
Public safety	6,067,298	6,165,437	6,165,437	0
Public works	120,000	120,000	120,000	0
Health and welfare	718,045	735,608	735,608	0
Culture and recreation	811,146	730,250	730,250	0
Conservation of natural resources	139,123	109,120	109,120	0
Economic development and assistance	262,637	230,615	230,615	0
Debt service:				
Principal		83,970	83,970	0
Interest		3,752	3,752	0
Total Expenditures	<u>14,348,065</u>	<u>14,502,243</u>	<u>14,502,243</u>	<u>0</u>
Excess of Revenues over (under) Expenditures	<u>(358,657)</u>	<u>(277,257)</u>	<u>(277,257)</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Other financing sources	1,132,871	1,031,552	1,031,552	0
Other financing uses	(1,002,387)	(1,137,393)	(1,137,393)	0
Total Other Financing Sources and Uses	<u>130,484</u>	<u>(105,841)</u>	<u>(105,841)</u>	<u>0</u>
Net Change in Fund Balance	(228,173)	(383,098)	(383,098)	0
Fund Balances - Beginning	<u>3,377,885</u>	<u>5,421,231</u>	<u>5,421,231</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 3,149,712</u>	<u>5,038,133</u>	<u>5,038,133</u>	<u>0</u>

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

LEFLORE COUNTY
BUDGETARY COMPARISON SCHEDULE- BUDGET AND ACTUAL (NON-GAAP BASIS)
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	\$ 396,591	433,539	433,539	-
Road and bridge privilege taxes	310,000	318,131	318,131	-
Intergovernmental revenues	1,446,500	794,004	794,004	-
Charges for services	-			-
Interest income	15,000	4,817	4,817	-
Miscellaneous revenues	10,000	-	-	-
Total Revenues	<u>2,178,091</u>	<u>1,550,491</u>	<u>1,550,491</u>	<u>-</u>
EXPENDITURES				
Current:				
Public works	3,981,349	4,428,776	4,428,776	-
Debt service:				
Principal	-	522,060	522,060	-
Interest	-	45,926	45,926	-
Total Expenditures	<u>3,981,349</u>	<u>4,996,762</u>	<u>4,996,762</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>(1,803,258)</u>	<u>(3,446,271)</u>	<u>(3,446,271)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Other financing sources	1,619,922	3,084,866	3,084,866	-
Other financing uses	-	(134,090)	(134,090)	-
Total Other Financing Sources and Uses	<u>1,619,922</u>	<u>2,950,776</u>	<u>2,950,776</u>	<u>-</u>
Net Change in Fund Balance	(183,336)	(495,495)	(495,495)	-
Fund Balances - Beginning	<u>1,625,373</u>	<u>591,661</u>	<u>591,661</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 1,442,037</u>	<u>96,166</u>	<u>96,166</u>	<u>-</u>

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

LEFLORE COUNTY
BUDGETARY COMPARISON SCHEDULE- BUDGET AND ACTUAL (NON-GAAP BASIS)
COVID 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	\$ 2,737,109	2,737,109	2,737,109	-
Interest income	-	21,477	21,477	-
Total Revenues	<u>2,737,109</u>	<u>2,758,586</u>	<u>2,758,586</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>2,737,109</u>	<u>2,758,586</u>	<u>2,758,586</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				-
Transfers out	-	-	-	-
Total Other Financing Sources and Uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	2,737,109	2,758,586	2,758,586	-
Fund Balances - Beginning	<u>2,737,109</u>	<u>3,769</u>	<u>3,769</u>	<u>-</u>
Fund Balances - Ending	<u>\$ 5,474,218</u>	<u>2,762,355</u>	<u>2,762,355</u>	<u>-</u>

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

LEFLORE COUNTY
SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS*
For the Year Ended September 30, 2022
UNAUDITED

	2022	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.112260%	0.108599%	0.107347%	0.108167%	0.109473%	0.10%	0.11%	0.11%	0.12%
County's proportionate share of the net pension liability (asset)	\$ 23,107,193	16,051,406	20,781,131	19,028,709	18,208,612	17,411,177	18,969,436	17,503,163	14,653,926
County's covered payroll	\$ 7,933,232	7,977,199	7,148,008	7,044,634	6,990,613	6,792,457	6,461,740	6,710,113	7,018,089
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	291.27%	201.22%	290.73%	270.12%	260.47%	256.33%	293.57%	260.85%	208.80%
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

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

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

LEFLORE COUNTY
Schedule of the County's Contributions
Last 10 Fiscal Years
For the Year Ended September 30, 2022
UNAUDITED

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,380,382	1,278,329	1,223,581	1,153,405	1,111,943	1,069,812	1,017,724	1,056,843	1,105,349
Contributions in relation to the contractually required contribution	<u>1,380,382</u>	<u>1,278,329</u>	<u>1,223,581</u>	<u>1,153,405</u>	<u>1,111,943</u>	<u>1,069,812</u>	<u>1,017,724</u>	<u>1,056,843</u>	<u>1,105,349</u>
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-	-	-
County's covered payroll	\$ 7,933,232	7,346,743	7,032,076	7,130,689	7,059,951	6,792,457	6,461,740	6,710,113	7,018,089
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	16.18%	15.75%	15.75%	15.75%	15.75%	15.75%

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

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

LEFLORE COUNTY
Discretely Presented Component Unit – Greenwood Leflore Hospital
Schedule of Changes in Net Pension Liability and Related Ratios
For the Year Ended September 30, 2022
UNAUDITED

	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability	\$							
Interest	3,533,342	3,509,805	3,474,705	3,514,817	3,413,176	3,363,064	3,384,889	3,384,889
Difference between expected and actual experience	470,361	126,746	377,521	(1,120,322)	740,367	(355,795)	(294,088)	68,042
Changes of assumptions	(376,907)	(683,581)	876,677	382,573	(299,489)		(1,336,081)	
Benefit payments/refunds	<u>(3,208,071)</u>	<u>(3,327,653)</u>	<u>(2,848,623)</u>	<u>(2,665,455)</u>	<u>(2,461,722)</u>	<u>(2,320,792)</u>	<u>(2,053,702)</u>	<u>(1,965,617)</u>
Net change in total pension liability	418,725	(374,683)	1,880,280	111,613	1,392,332	686,477	(298,982)	1,487,314
Total pension liability - beginning	<u>49,765,386</u>	<u>50,140,069</u>	<u>48,259,789</u>	<u>48,148,176</u>	<u>46,755,844</u>	<u>46,069,367</u>	<u>46,368,349</u>	<u>44,881,035</u>
Total pension liability - ending (a)	\$ <u>50,184,111</u>	<u>49,765,386</u>	<u>50,140,069</u>	<u>48,259,789</u>	<u>48,148,176</u>	<u>46,755,844</u>	<u>46,069,367</u>	<u>46,368,349</u>
Plan Fiduciary Net Position								
Contributions - employer	1,519,619	1,598,738	1,413,913	1,340,319	1,452,904	1,367,610	1,394,632	2,517,899
Net investment income	(7,243,261)	6,100,827	3,654,209	1,826,911	2,073,394	2,883,575	2,229,987	107,212
Benefit payments/refunds	(3,208,071)	(3,327,653)	(2,848,623)	(2,665,455)	(2,461,722)	(2,320,792)	(2,053,702)	(1,965,617)
Administrative expenses	<u>(91,235)</u>	<u>(92,923)</u>	<u>(87,105)</u>	<u>(85,539)</u>	<u>(85,579)</u>	<u>(80,239)</u>	<u>(78,351)</u>	<u>(88,388)</u>
Net Change in plan fiduciary net position	(9,022,948)	4,278,989	2,132,394	416,236	978,997	1,850,154	1,492,566	571,106
Plan fiduciary net position - beginning	<u>40,288,635</u>	<u>36,009,646</u>	<u>33,877,252</u>	<u>33,461,016</u>	<u>32,482,019</u>	<u>30,631,865</u>	<u>29,139,299</u>	<u>28,568,193</u>
Plan fiduciary net position -ending (b)	\$ <u>31,265,687</u>	<u>40,288,635</u>	<u>36,009,646</u>	<u>33,877,252</u>	<u>33,461,016</u>	<u>32,482,019</u>	<u>30,631,865</u>	<u>29,139,299</u>
Net pension liability - ending (a) - (b)	\$ <u>18,918,424</u>	<u>9,476,751</u>	<u>14,130,423</u>	<u>14,382,537</u>	<u>14,687,160</u>	<u>14,273,825</u>	<u>15,437,502</u>	<u>17,229,050</u>
Plan fiduciary net position as a percent of the total pension liability	62.3%	81.0%	71.8%	70.2%	69.5%	69.5%	66.5%	63.0%
Covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net pension liability as a percent of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note to Schedule: This schedule is intended to show a 10-year trend and is presented on the measurement date of the net pension liability. Additional years will be reported as they become available.

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

Leflore County
Discretely Presented Component Unit – Greenwood Leflore Hospital
SCHEDULE OF CONTRIBUTIONS
For the Year Ended September 30, 2022
UNAUDITED

Year Ended September 30,	Contractually Required Contribution	Contributions in Relation to the Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as % of Covered Payroll
2022	\$ 1,519,619	\$ 1,519,619	\$ -	N/A	N/A
2021	1,598,738	1,598,738	-	N/A	N/A
2020	1,405,581	1,413,913	8,332	N/A	N/A
2019	1,340,319	1,340,319	-	N/A	N/A
2018	1,452,904	1,452,904	-	N/A	N/A
2017	1,367,610	1,367,610	-	N/A	N/A
2016	1,394,632	1,394,632	-	N/A	N/A
2015	2,517,899	2,517,899	-	N/A	N/A

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

LEFLORE 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, Tax Assessor and Tax Collector for his or her respective department, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Supervisors that budgetary estimates will not be met, it may make revisions to the budget.

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

B. Basis of Presentation.

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

C. Budget/GAAP Reconciliation.

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

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

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

	General Fund	Road and Bridge Fund	COVID Fund
Budget (Cash Basis)	\$ (383,098)	(495,495)	2,758,586
Increase (Decrease)			
Net adjustment for revenue accruals	(749,994)	(23,396)	(2,737,109)
Net adjustment for expenditure accruals	667,980	134,346	
GAAP Basis	\$ (465,112)	(384,545)	21,477

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

Pension Schedules

A. Changes of assumptions.

2015

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

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

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

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

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

2016

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

2017

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

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

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

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

2019

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

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

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

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 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.

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

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

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

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

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

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

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

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

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

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

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

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

B. Changes in benefit provisions.

2016

Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

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

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2020 valuation for the June 30, 2022 fiscal year end). The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in that schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	27.7 years

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

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

Component Unit
Greenwood Leflore Hospital

Summary of Assumptions and Methods Used to Determine Contributions Rates

The total pension liability as of September 30, 2022, was determined using the following actuarial assumptions, applied to all periods in the measurement:

Investment Rate of Return 7.20% percent, per annum, compounded annually

Discount Rate 7.20% percent per annum, compounded annually

The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. Based on that assumption, 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 projected benefit payments to determine the total pension liability.

Salary increases Not applicable, benefits are frozen

Effective September 30, 2022, the mortality table was changed from the RP-2014 Blue Collar, Separate Pre- and Post-Commencement, with separate Male and Female tables, fully Generational using Projections Scale MP-2020 to the RP-2014 Blue Collar, Separate Pre- and Post-Commencement, with separate Male and Female tables, fully Generational using Projections Scale MP-2021 to better recognize current and future mortality improvements.

Amortization Period

Investment gains or losses are amortized over five years.

Changes in actuarial assumptions and experience gains or losses are amortized over the average working lifetime of all participants, which for the year ending September 30, 2022 was 1.2 years.

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

Investment Returns

Net investment yield for fiscal year ended September 30, 2022 - (18.36%)

The annual money-weighted rate of return is based on monthly cash flows on pension plan investments, net of pension plan investment expense.

Fiduciary net position is the amount of assets available for benefits in the Plan.

Total pension liability is the Plan liability determined using assumption listed in the Summary of Actuarial Assumption.

Net pension liability is the difference in the total pension liability and the fiduciary net position.

Amortization Period (Funding)

The actuarially determined contribution for the Plan year ended September 30, 2021, uses a closed period of 20 years.

Assumptions and Valuation Method

The Hospital selected the assumptions and funding methods based on the review of Plan experience in conjunction with the October 1, 2021 and 2020 Actuarial Valuation Reports. The actuary annually reviews the assumptions and methods for reasonableness.

The normal retirement date of a participant is the first day of the calendar month coincident with or next following his attainment of age 65 and completion of five years of service.

LEFLORE COUNTY

SUPPLEMENTARY INFORMATION

LEFLORE COUNTY
RECONCILIATION OF OPERATING COSTS OF SOLID WASTE
For the Year Ended September 30, 2022

Operating Expenditures, Cash Basis:

Personnel	549,555
Expendable Commodities:	
Gasoline and petroleum products	99,743
Repair parts	42,502
Office, field and shop supplies	15,253
Solid waste contract and disposal fees	26,745
Debt Service	195,712
 Solid Waste Cash Basis Operating Expenditures	 929,510
 Full Cost Expenses:	
Indirect administrative costs	1,847
Depreciation on equipment	83,970
	1,015,327
 Solid Waste Full Cost Operating Expenses	 1,015,327

LEFLORE COUNTY

OTHER INFORMATION

LEFLORE COUNTY
SCHEDULE OF SURETY BONDS FOR COUNTY OFFICIALS
For the Year Ended September 30, 2022
UNAUDITED

Name	Position	Company	Bond
Sam Abraham	Supervisor	Brierfield Insurance Company	100,000
Anjuan Brown	Supervisor	Brierfield Insurance Company	100,000
Robert L. Collins, Sr.	Supervisor	Brierfield Insurance Company	100,000
Reginald Moore	Supervisor	State Farm Fire and Casualty Company	100,000
Eric Mitchell	Supervisor	State Farm Fire and Casualty Company	100,000
Johnny Gary, Jr.	County Administrator	Western Surety Company	100,000
Johnny Gary, Jr.	Chancery Clerk	Western Surety Company	100,000
Elmus Stockstill	Circuit Clerk	Brierfield Insurance Company	100,000
Jasmine McClung	Deputy Circuit Clerk	Traveler's Casualty & Surety of America	75,000
Cheryl L. Williams	Deputy Circuit Clerk	Traveler's Casualty & Surety of America	75,000
Annie M. Conley	Tax Collector	Western Surety Company	100,000
Sheron Elliott	Deputy Tax Collector	Traveler's Casualty & Surety of America	50,000
Koneshiana Erving	Deputy Tax Collector	Traveler's Casualty & Surety of America	50,000
Deneidra Johnson	Deputy Tax Collector	Traveler's Casualty & Surety of America	50,000
Marissa Jones	Deputy Tax Collector	Traveler's Casualty & Surety of America	50,000
Pamela Keys	Deputy Tax Collector	Traveler's Casualty & Surety of America	50,000
Carolyn R. Smith	Deputy Tax Collector	Traveler's Casualty & Surety of America	50,000
Seveda Doss	Deputy Tax Collector	Traveler's Casualty & Surety of America	50,000
Sasha Harris Harrvey	Deputy Tax Collector	Traveler's Casualty & Surety of America	50,000
Leroy Ware	Tax Assessor	State Farm Fire and Casualty Company	100,000
Tyneiseca M. Epps	Deputy Tax Assessor	Traveler's Casualty & Surety of America	10,000
Kimilia R. Sigers	Deputy Tax Assessor	Traveler's Casualty & Surety of America	10,000
Martha Howard	Justice Court Clerk	Traveler's Casualty & Surety of America	50,000
Diane Tillman	Deputy Justice Court Clerk	Traveler's Casualty & Surety of America	50,000
James E. Campbell, Jr.	Justice Court Judge	Brierfield Insurance Company	50,000
James K. Littleton, III	Justice Court Judge	State Farm Fire and Casualty Company	50,000
Carlos Palmer	Justice Court Judge	Traveler's Casualty & Surety of America	50,000
James Steven Pernel	Constable	Western Surety Company	50,000
Andrew McQueen	Constable	Western Surety Company	50,000
Vonzell Self	Constable	Western Surety Company	50,000
Tanya Gomilia	Purchase Clerk	Traveler's Casualty & Surety of America	100,000
Niqua Graham Brooks	Assistant Purchase Clerk	Traveler's Casualty & Surety of America	50,000
Keyalter Smith	Assistant Purchase Clerk	Traveler's Casualty & Surety of America	50,000
Lashandria Young-Nevels	Inventory Control Clerk	Traveler's Casualty & Surety of America	75,000
Jerry L. Smith	Road Manager	Traveler's Casualty & Surety of America	50,000
Frederick L. "Ricky" Banks	Sheriff	Brierfield Insurance Company	100,000
Cathy Mai	Receiving Clerk	Traveler's Casualty & Surety of America	75,000
Kamilia R Singers	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Joe W. Barnes	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Jerome Thomas Blake	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
James Richard Brown, Jr.	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
James H. Brown	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Paulette Clay	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Debra Denise Edmond	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Donna R. Gibson	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Jimmy F. Gibson, Jr.	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Vernon W. Gravlee	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Robert Earl Haggie	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Angelica Denise Harris	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Bobbie Jean Jones	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Bobby Norwood	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Fredrick Randle	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Kelly Harrington Roberts	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Kenneth Wade Spencer	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Collin Jackson	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Jimmy Gibson	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000
Gary Lofton	Assistant Receiving Clerk	Traveler's Casualty & Surety of America	50,000

LEFLORE COUNTY

SPECIAL REPORTS

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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
Leflore County, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Leflore 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 April 9, 2024. Our report includes a reference to other auditors who audited the financial statements of Greenwood Leflore Hospital, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this

section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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 Leflore County, Mississippi's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of Leflore County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated April 9, 2024, included within this document.

Purpose of this Report

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

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi
April 9, 2024

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

Members of the Board of Supervisors
Leflore County, Mississippi

We have examined Leflore County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Sections 31-7-101 through 31-7-127, *Mississippi Code of 1972 Annotated* and compliance with the purchasing requirements in accordance with bid requirements of Section 31-7-13, *Mississippi Code of 1972 Annotated* during the year ended September 30, 2022. The Board of Supervisors of Leflore County, Mississippi is responsible for the County's compliance with those requirements. Our responsibility is to express an opinion on the County's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of Leflore 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, Leflore County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2022.

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

This report is intended for use in evaluating Leflore 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
April 9, 2024

LEFLORE COUNTY
Schedule of Purchases from Other Than the Lowest Bidder
For the Year Ended September 30, 2022

Schedule 1

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

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

Schedule 2

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
7/10/2022	Flood control pump	\$ 63,561.70	Lockett Pump & Well Service	Flooding

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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LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Leflore County, Mississippi

In planning and performing our audit of the financial statements of Leflore County, Mississippi for the year ended September 30, 2022, we considered Leflore 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 Leflore 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 April 9, 2024, on the financial statements of Leflore County, Mississippi.

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

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

Board of Supervisors

1. All Supervisors must Inspect the Roads and Bridges and Attest to the Clerk of the Board for having done so.

Repeat Finding Yes- 2021-1

Criteria *Section 65-7-117, Mississippi Code Annotated (1972)*, states that, “Each member of the board of supervisors shall inspect every road, bridge and ferry in each

district at least annually, at times to be fixed by the board, and shall file with the clerk of the board a report, under oath, of the condition of the several roads, bridges and ferries inspected by him, with such recommendations as are needful, which reports shall be presented to the board of supervisors and kept on file for three (3) years.”

Condition During the course of our testing we noted that the Board of Supervisors had inspected the roads and bridges but no certifications on the minutes or affidavits from the supervisors were filed to document that they had examined the roads and bridges annually.

Cause Annual inspections of the roads and bridges in the County have not been completed and/or attested to having been done.

Effect Failure to complete annual inspections of roads and bridges and to file an affidavit of said inspection can lead to failure to identify and to complete necessary improvements in a timely manner.

Recommendation The Board of Supervisors should ensure that they complete the requisite inspections of the roads and bridges in their jurisdiction and file an affidavit with the Clerk of the Board for inclusion in the minutes.

Response We will ensure the requisite inspections and attest to the following.

2. A four-year road plan must be adopted for construction and major maintenance of roads and bridges.

Repeat Finding Yes- 2021-2

Criteria *Section 65-7-117, Mississippi Code Annotated (1972), states “...[T]he board of supervisors shall...on or before February 1 of each year thereafter, adopt and spread upon its minutes a four-year plan for the construction and maintenance of county roads and bridges. The plan may be amended at any time by a vote of the majority of the members of the board of supervisors.”*

Condition During the course of our testing we noted that a four-year road plan was not adopted and spread on the minutes.

Cause A four-year road plan has not been adopted and spread on the minutes.

Effect Failure to create a four-year road plan results in non-compliance with the statute and can lead to the failure to complete necessary improvements in a timely manner.

Recommendation The Board of Supervisors should ensure that it adopts a four-year road plan and spreads it on the minutes.

Response The Road Manager has submitted the road portion. The Clerk will comply with the necessary requirements.

3. List of employees authorized to issue requisitions and receiving reports.

Repeat Finding Yes-2021-3

Criteria *Sections 31-7-103 and 31-7-109, Mississippi Code Annotated (1972), state that persons must be specifically authorized to sign purchase requisitions and receiving reports.*

Condition During the course of our test work, we were unable to locate a listing approved by the Board of Supervisors specifying who was authorized to sign purchase requisitions and receiving reports.

Cause The Board of Supervisors did not approve a list that specifies those individuals with authority to sign purchase requisitions and receiving reports for each department.

Effect Failure to specify individuals with authority to sign purchase requisitions and receiving reports could result in the loss or misappropriation of public funds.

Recommendation The Board should annually approve a list of individuals in each department who are authorized to sign purchase requisitions and receiving reports and spread this list on the minutes.

Response We will comply.

4. Public Officials Should Ensure Compliance with the County Government Reorganization Act of 1988 by Delegating the Necessary Authorities to the County Administrator and Road Manager.

Repeat Finding Yes-2021-4

Criteria *Section 19-2-9(1), Mississippi Code Annotated (1972), states that the countywide personnel system is to be administered by the county administrator. The board of supervisors should spread on its minutes an order delegating the authority for handling personnel matters to the county administrator.*

Section 65-17-1(2), Mississippi Code Annotated (1972), states that “the county road manager, under the policies determined by the board of supervisors and subject to the board’s general supervision and control, shall administer the county road department, superintend the working, construction and maintaining of the public roads and the building of bridges in such county, and carry out the general policies of the board in conformity with the estimates of expenditures fixed in the annual budget as finally adopted by the board or as thereafter revised by appropriate action of the board.” The board of supervisors should reflect this by adopting written personnel policies and procedures that reflect the duties of the road manager or by spreading an order on its minutes.

Condition	During the course of our audit, we noted that there is no board order delegating authority to the county administrator over the administration of the countywide personnel system. We also noted that there is no adopted, written policy or order spread on the minutes listing the duties and authorities of the road manager.
Cause	No board order has been spread to delegate the requisite authority to the county administrator to administer the countywide personnel system, and no board order or policy adopted lists the duties and authorities of the road manager.
Effect	Failure to properly delegate the necessary authority to the county administrator and the road manager could result in noncompliance with the County Government Reorganization Act of 1988.
Recommendation	The Board should spread an order on its minutes delegating the necessary authority over the administration of the countywide personnel system to the county administrator. The Board should also either spread an order on its minutes or adopt a written policy listing the duties and authorities of the road manager.
Response	We will comply by providing job descriptions to be spread across the minutes for County Administrator and Road Manager.

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

Repeat Finding	Yes- 2021-5
Criteria	<i>Section 25-1-15, Mississippi Code Annotated (1972), states, "A new bond in an amount not less than that required by law shall be secured upon employment and coverage shall continue by the securing of a new bond every four (4) years concurrent with the normal election cycle of the Governor or with the normal election cycle of the local government applicable to the employee."</i>
Condition	During the course of our testing we noted the following instances of non-compliance: <ul style="list-style-type: none"> • One (1) deputy tax collector was bonded with an indefinite bond • One (1) deputy tax collector was not bonded • One (1) deputy justice court clerk was bonded with an indefinite bond • One (1) deputy justice court clerk was not bonded • One (1) assistant receiving clerk was not bonded with an indefinite bond • One (1) assistant receiving clerk was not bonded for the full period
Cause	Public Officials and the Board of Supervisors have insufficient control over the requirements for bonding officials and employees.
Effect	Failure to have a bond in place for a specific term could limit the amount available for recovery if a loss occurred over multiple terms, as well as the current terms.

Recommendation We recommend the Board of Supervisors implement procedures to ensure that County officials' and employees' bonds meet the requirements of State Laws.

Response Elected officials will be four years. We will ensure that the bonds have an expiration date.

6. Public officials should ensure that the avails of any tax levy imposed for a specific purpose be maintained in a separate fund and expended for the specific purpose for which it is levied.

Repeat Finding Yes-2021-6

Criteria Specific purpose tax levies permitted under statutory authority and required to be accounted for separately should be maintained in a separate fund and expended for the specific purpose for which it was levied.

Condition During the course of our audit, we noted that \$1,500,000 of the \$1,640,478.82 in ad valorem taxes levied for Bridge and Culvert purposes was transferred to the Road and Bridge fund at two points during the year.

We further noted that a transfer was made from the Road and Bridge Fund to the Public Improvement Bond Fund to cover a deficit of \$134,089.57.

Cause Internal control policies and procedures regarding compliance with rules and regulations applicable to accounting for specific-purpose tax levies were not effective and allowed the avails of the Bridge and Culvert tax levy to be transferred to the Road and Bridge fund.

Effect Non-compliance with rules and regulations applicable to accounting for specific purpose tax levies could result in the levies being improperly expended.

Recommendation The Board of Supervisors should enhance internal control policies and procedures to obtain compliance with the rules and regulations governing the accounting for specific purpose revenues and expenditures of the Bridge and Culvert fund.

Response So we are currently splitting 150 and 160 for Road Expenses. We will follow the intended statutes.

7. Public officials should ensure that the avails of the special one mill levy are separated from other monies collected and not spent until the certification of the tax rolls is received from the State Tax Commission.

Repeat Finding Yes-2021-7

Criteria *Section 27-39-329(b), Mississippi Code Annotated (1972)*, requires that the avails of the special one mill levy must be kept separate and are not able to be spent until the State Tax Commission certification is received.

Condition During the course of our audit we noted that the avails of the special one mill levy were placed directly into the General Fund with no method of separating these monies to ensure that they are not spent until the Commission's certification was received.

Cause	Public Officials allowed the avails of the special one mill levy to be deposited directly into the General Fund without a method of segregating the money until it was lawfully allowed to be spent upon receipt of the Commission’s certification.
Effect	Failure to segregate the avails of the special one mill levy make it impossible to know when the money was spent, which could result in the money being spent prior to Commission certification allowing the disbursement of those funds.
Recommendation	We recommend the Board of Supervisors keep the avails of the special one mill levy in a separate fund to ensure the monies are not spent prior to certification and approval from the Commission.
Response	We have Fund 003 designated for 1 mill.
8.	<u>Public Officials Should Ensure Compliance with State Law over Publication of Bids for its Depository.</u>
Repeat Finding	No
Criteria	<i>Section 27-105-305, Mississippi Code Annotated (1972) states, “The board of supervisors at the regular December 1997 meeting, and annually thereafter or, in the discretion of the board of supervisors, thereafter at such other interval of time as determined by the board of supervisors, but no less frequently than every four (4) years, shall give notice to all financial institutions in its county whose accounts are insured by the Federal Deposit Insurance Corporation (or any successor thereto), by publication, that bids will be received from financial institutions at the following January meeting, or some subsequent meeting, for the privilege of keeping the county funds, or any part thereof, which notice shall refer by name to this article and it shall not be necessary to incorporate in the notice the provisions of this article; and at the January meeting, or a subsequent meeting as may be designated in the notice, as the case may be, the board of supervisors shall receive such bids or proposals as the financial institutions may make for the privilege of keeping the county funds, or any part thereof...”</i>
Condition	During the course of our test work, we were unable to locate a current notice, acceptance, and approval of bids for the County depository. The last time this was done was in February 2019 for the 2019-2020 year.
Cause	The Board of Supervisors did not advertise and bid out the county depository within the statutorily prescribed period.
Effect	Failure to advertise for the County’s depository resulted in non-compliance with <i>Mississippi Code Section 27-105-305</i> and may result in the loss of public funds.
Recommendation	The Board should ensure publication of, notice for, and acceptance of bids for the County’s depository as required by State law.
Response	We have advertised for county depositories. Listing primary to other depositories. We will comply.

9. Public Officials Should Ensure Compliance with State Law over the Publication of the Original Budget for the Fiscal Year.

Repeat Finding

No

Criteria

Section 19-11-7, Mississippi Code Annotated (1972), states “(1) The county administrator of each county of the State of Mississippi shall prepare and submit to the board of supervisors....The budget, including the sheriff’s budget, containing such statement of revenues and expenses shall be published at least one (1) time during August or September but not later than September 30 of the year in a newspaper published in the county, or if no newspaper is published therein, then in a newspaper having a general circulation therein.”

Condition

During the course of the audit, we noted that the original budget for the fiscal year was not published in the newspaper.

Cause

Public officials failed to ensure that proper publication was performed within the timeframe prescribed by law.

Effect

Failure to publish the County’s original budget for the fiscal year is not in compliance with State statutes and could diminish fiscal transparency for the County.

Recommendation

The Board of Supervisors should ensure that compliance with publication laws is achieved through proper publication of the original budget in accordance with the timelines established by State law.

Response

To our knowledge this was sent for publication. We will ensure timely publication, We will comply.

10. Public Officials Should Ensure Compliance with State Law over the Quarterly Appropriation of the Sheriff’s, Tax Assessor’s, and Tax Collector’s Budgets.

Repeat Finding

No

Criteria

Section 19-25-13, Mississippi Code Annotated (1972), states, “The board of supervisors shall, at its first meeting of each quarter beginning on October 1, January 1, April 1 and July 1, appropriate a lump sum for the sheriff for the expenses of his office during the current quarter. The quarterly appropriation shall be one-fourth (¼) of the amount approved in the annual budget unless the sheriff requests a different amount. Except in case of emergency, as provided in the county budget law, the appropriation for the quarter beginning in October of the last year of the sheriff’s term shall not exceed one-fourth (¼) of the annual budget.”

Section 27-1-9(c), Mississippi Code Annotated (1972), states, “The board of supervisors shall, at its first meeting of each quarter beginning on October 1, January 1, April 1, and July 1, appropriate a lump sum for the assessor and tax collector for the expenses of his office during the current quarter. The quarterly appropriation shall be one-fourth (¼) of the amount approved in the annual budget unless the assessor and tax collector requests a different amount. Except in case of emergency, as provided in the county budget law, the appropriation for

the quarter beginning in October of the last year of the assessor and tax collector's term shall not exceed one-fourth (¼) of the annual budget."

Condition During the course of the audit, we were unable to obtain evidence that the budgets for the sheriff, tax assessor, and tax collector were appropriated on a quarterly basis.

Cause Public officials failed to appropriate the budgets of the sheriff, tax assessor, and tax collector on a quarterly basis and approve the actions on the minutes.

Effect Failure to appropriate the budgets of the sheriff, tax assessor, and tax collector results in noncompliance with State law and could result in the loss of misappropriation of public funds.

Recommendation The Board of Supervisors should ensure that the budgets for the sheriff, tax assessor, and tax collector are appropriated on a quarterly basis in accordance with State law.

Response We noted that we were spreading the quarterly appropriations, but we will consistently report. We will comply.

11. Deficit fund balances.

Repeat Finding No

Criteria Management is responsible for establishing a proper internal control system to ensure the County operates within its means.

Condition We noted a deficit fund balance at September 30, 2022. The deficit fund balance existed in the following fund:

- Keep Mississippi Clean Fund (176)

Cause The above-listed fund was operating with a cash deficit.

Effect Prolonged deficit fund balances, especially in grant funding accounts, could result in loss of future grant funding.

Recommendation The Board of Supervisors should determine the reasons for the deficit fund balance and take the appropriate actions to reduce the deficit.

Response We will ensure timely entries to avoid any deficits. We will comply.

12. Public Official should Ensure Compliance with State Law Regarding Executive Sessions.

Repeat Finding No

Criteria *Section 25-41-7(3), Mississippi Code Annotated (1972), states, "(3) An executive session shall be limited to matters allowed to be exempted from open meetings by subsection (4) of this section. The reason for holding an executive session shall be stated in an open meeting, and the reason so stated shall be recorded in the minutes of the meeting. Nothing in this section shall be construed to require that any meeting be closed to the public, nor shall any executive session be used to circumvent or to defeat the purposes of this chapter...."*

Condition	During the course of our audit, we noted the following instances of non-compliance: <ul style="list-style-type: none"> • On 5/23/2022, an executive session was held to discuss “ARPA Funds” • On 9/12/2022, an executive session was held to discuss “Payment to APAC, Bridge #71, and the Claims Docket”
Cause	Public officials went into executive session to discuss topics that were not allowed by statute.
Effect	Failure to adhere to the statute regarding permissible executive session topics results in noncompliance with State law as well as a lack of transparency.
Recommendation	We recommend the Board implement controls to ensure compliance with regard to allowable topics for executive session.
Response	We will do further research to find out these items or matters that shouldn’t be reimbursed and seek those that are permissible. We will comply.
13.	<u>Public Officials should strengthen internal controls to ensure compliance with State Law over tax levy code sections.</u>
Repeat Finding	No
Criteria	<i>Section 27-39-329, Mississippi Code Annotated (1972), states, “(1) Each county shall, in addition to all other taxes authorized by any statute and notwithstanding any limitation provided in this article, levy ad valorem taxes pursuant to subsection (2) of this section.”</i>
Condition	During the course of our review of the County’s tax levy, auditors noted that the code section cited for 3.08 mills to the 002 Escrow Fund addresses the special one mill levy, which is already levied to another fund.
Cause	The system of internal control failed to ensure that the tax levy cited the correct authorities for taxes levied.
Effect	Failure to use the proper code section could result in an unauthorized tax levy.
Recommendation	The County should strengthen internal control and ensure compliance by establishing adequate control procedures to ensure the proper code section is used in the board order establishing the tax levy.
Response	We need to research and find out whether 27-39-329(B) apply.
Comptroller	
14.	<u>Public Officials Should Ensure Compliance with State Law over the Public Depositors Annual Report.</u>
Repeat Finding	Yes-2021-8
Criteria	<i>Section 27-105-5(6), Mississippi Code Annotated (1972), states, “Public depositors shall comply with the following requirements: a) A public depositor shall ensure</i>

that the name of the public depositor and its tax identification number are on the account or certificate provided to the public depositor by the qualified public depository in a manner sufficient to disclose the identity of the public depositor; b) Not later than thirty (30) days following its fiscal year end, a public depositor shall notify the State Treasurer of its official name, address, federal tax identification number, and provide a listing of all accounts that it had with qualified public depositories, including the deposit balance in those accounts, as of its fiscal year end. A public entity established during the year shall furnish its official name, address and federal tax identification number to the State Treasurer before making any public deposit.”

Condition The Public Depositors Annual Report was not filed.

Cause The Public Depositors Annual Report was not filed by the statutory deadline.

Effect Failure to notify the State Treasurer of its official name, address, federal tax identification number, and the balance in its accounts, as of its fiscal year end, increases the risk that the County’s total deposits may not be properly collateralized and results in noncompliance with *Section 27-105-5(6)*.

Recommendation We recommend the Comptroller file the Public Depositors Annual Report within thirty (30) days following fiscal year end as required by state law.

Response We are currently sending the filing and do this timely. We will comply.

Payroll Clerk/Human Resources

15. Public Officials Should Ensure Compliance with State Law over Rehiring PERS Retirees.

Repeat Finding Yes-2021-9

Criteria *Section 25-11-127, Mississippi Code Annotated (1972)*, states, “No person who is being paid a retirement allowance or a pension after retirement under this article shall be employed or paid for any service by the State of Mississippi, including services as an employee, contract worker, contractual employee or independent contractor, until the retired person has been retired for not less than ninety (90) consecutive days from his or her effective date of retirement. After the person has been retired for not less than ninety (90) consecutive days from his or her effective date of retirement or such later date as established by the board, he or she may be reemployed while being paid a retirement allowance under the terms and conditions provided in this section....

4) The provisions of this section shall not be construed to prohibit any retiree, regardless of age, from being employed and drawing a retirement allowance either:

(a) For a period of time not to exceed one-half (½) of the normal working days for the position in any fiscal year during which the retiree will receive no more than one-half (½) of the salary in effect for the position at the time of employment, or

(b) For a period of time in any fiscal year sufficient in length to permit a retiree to earn not in excess of twenty-five percent (25%) of retiree's average compensation.

To determine the normal working days for a position under paragraph (a) of this subsection, the employer shall determine the required number of working days for the position on a full-time basis and the equivalent number of hours representing the full-time position. The retiree then may work up to one-half (½) of the required number of working days or up to one-half (½) of the equivalent number of hours and receive up to one-half (½) of the salary for the position. In the case of employment with multiple employers, the limitation shall equal one-half (½) of the number of days or hours for a single full-time position.

Notice shall be given in writing to the executive director, setting forth the facts upon which the employment is being made, and the notice shall be given within five (5) days from the date of employment and also from the date of termination of the employment. *[Note: This notice is provided on PERS Form 4B and must be executed annually and sent to PERS]*

(6) (a) A member may retire and continue in municipal or county elective office provided that the member has reached the age and/or service requirement that will not result in a prohibited in-service distribution as defined by the Internal Revenue Service, or a retiree may be elected to a municipal or county office, provided that the person:

(i) Files annually, in writing, in the office of the employer and the office of the executive director of the system before the person takes office or as soon as possible after retirement, a waiver of all salary or compensation and elects to receive in lieu of that salary or compensation a retirement allowance as provided in this section, in which event no salary or compensation shall thereafter be due or payable for those services; however, any such officer or employee may receive, in addition to the retirement allowance, office expense allowance, mileage or travel expense authorized by any statute of the State of Mississippi; or

(ii) Elects to receive compensation for that elective office in an amount not to exceed twenty-five percent (25%) of the retiree's average compensation. In order to receive compensation as allowed in this subparagraph, the retiree shall file annually, in writing, in the office of the employer and the office of the executive director of the system, an election to receive, in addition to a retirement allowance, compensation as allowed in this subparagraph. *[Note: This notice is provided on PERS Form 9C and must be executed annually and sent to PERS]*

(b) The municipality or county in which the retired person holds elective office shall pay to the board the amount of the employer's contributions on the full amount of the regular compensation for the elective office that the retired person holds.

Condition

During the course of our audit, we noted the following:

- One (1) retired individual earned in excess of the allowable amount as determined by PERS

	<ul style="list-style-type: none"> • Four (4) retired individuals had not executed the proper PERS Form (4B or 9C) • Four (4) retired individuals had not properly completed the PERS Form (4B or 9C)
Cause	The County did not comply with <i>Section 25-11-127, Mississippi Code Annotated (1972)</i> in that it failed to ensure proper notice to PERS, proper execution of required documents, and proper monitoring of wages to ensure the PERS cap was not exceeded.
Effect	The failure to comply with the reemployment conditions as reported on PERS Form 4B and 9C could jeopardize the provisions for reemployment.
Recommendation	The County should ensure that the statutory conditions for reemployment are met.
Response	We will comply.
16.	<u>Employee File Documentation.</u>
Repeat Finding	No
Criteria	The County is responsible for establishing and maintaining an effective system of internal controls pertaining to the documentation in employee files.
Condition	<p>During the course of our test work, we noted the following:</p> <ul style="list-style-type: none"> • Five (5) instances where the Board-approved pay rates were not evidenced in the file • One (1) instance where the I-9 was incomplete
Cause	The employee files are not being reviewed regularly to identify any files without proper documentation.
Effect	Failure to properly document approved pay rates could result in the misappropriation of public funds. The County could face liability due to having improperly executed Form I-9s.
Recommendation	The County should maintain a complete employee file system that would ensure that the County is in compliance with State and Federal employee documentation laws.
Response	We will comply.

Sheriff

17. The Sheriff Should Ensure Compliance with State Law Regarding the Timely Deposit of Funds.

Repeat Finding Yes-2021-10

Criteria *Section 25-1-72, Mississippi Code Annotated (1972), states that, "All county officers who receive funds payable into the county treasury shall deposit such funds into the county depository on the day when they are collected or on the next business day thereafter."*

Condition During the course of our test work, we found that nine (9) out of ten (10) deposits tested were not made in a timely manner with some deposits being held as long as twelve (12) days prior to being deposited.

Cause These delays are due to inadequate internal controls surrounding the statutory requirements for depositing of revenue collected in the Sheriff's Office.

Effect Inadequate controls surrounding the deposits of revenue collections could result in improper revenue recognition and noncompliance with statutory requirements. Failure to implement controls over cash could result in a delay in the timely reconciliation of bank accounts, and settlement of funds to the County.

Recommendation The Sheriff should ensure that the deposits are being made in a timely manner as prescribed by statute.

Response I took office January 2, 2024. We will comply.

18. The Sheriff Should Ensure Compliance with State Laws over the Presentation of Meal Logs to the Board of Supervisors.

Repeat Finding Yes-2021-12

Criteria *Section 19-25-74, Mississippi Code Annotated (1972), states, "The sheriff shall maintain a log, showing the name of each prisoner, the date and time of incarceration and release, to be posted by the tenth calendar day of each month for the period spanning the preceding month, which shall record the number of meals served to prisoners on each day, and shall make affidavit as to the correctness thereof and file the same monthly with the board of supervisors. Such log shall remain on file with the board of supervisors as other records of said board and shall be made available to the State Department of Audit upon request. No claims for the cost or expenses of feeding prisoners shall be approved by the board of supervisors for any month unless and until such log for that month is filed."*

Condition	During the course of our test work, we noted that the meal logs were not being presented to the Board yet claims to vendors were being paid.
Cause	The Sheriff did not present the meal logs to the Board of Supervisors.
Effect	Failure to properly maintain and present the meal logs could result in the misappropriation of public funds.
Recommendation	The Sheriff should present the meal logs to the Board of Supervisors for review monthly prior to payment of any claims for meal expenses. The logs should also be maintained on hand for audit purposes.
Response	I took office January 2, 2024. We will comply.
Tax Collector	
19.	<u>The Tax Collector Should Ensure Compliance with State Law Regarding the Timely Deposit of Funds.</u>
Repeat Finding	Yes-2021-13
Criteria	<i>Section 25-1-72, Mississippi Code Annotated (1972), states that, "All county officers who receive funds payable into the county treasury shall deposit such funds into the county depository on the day when they are collected or on the next business day thereafter."</i>
Condition	During the course of our test work, we found that twenty-two (22) out of twenty-two (22) deposits tested were not made in a timely manner.
Cause	These delays are due to inadequate internal controls surrounding the statutory requirements for depositing of revenue collected in the Tax Collector's Office.
Effect	Inadequate controls surrounding the deposits of revenue collections could result in improper revenue recognition and noncompliance with statutory requirements. Failure to implement controls over cash could result in a delay in the timely reconciliation of bank accounts, and settlement of funds to the County.
Recommendation	The Tax Collector should ensure that the deposits are being made in a timely manner as prescribed by statute.
Response	I took office January 2, 2024. We will comply.
20.	<u>The Tax Collector is settling tax receipts not yet collected.</u>
Repeat Finding	Yes-2021-14
Criteria	The Tax Collector should establish appropriate policies, procedures, and controls for the treatment of returned checks received for tax collections such that those amounts are not settled to outside entities. Further, the tax collector should

follow the statutory requirements with regard to auction of property when taxes are not timely paid in full.

Condition During the course of our test work, we found that when checks written for the payment of assessed taxes and fees were returned due to insufficient funds by the bank, the Tax Collector’s office allowed taxpayers an extended period of time to repay the funds but settled monies to the applicable entities as if the taxes had been paid in full.

Cause The Tax Collector did not establish proper policies, procedures, and controls to adequately account for returned checks.

Effect The Tax Collector is settling funds that are not yet available to be settled and unlawfully extending due dates for taxes due such that those penalties and interest are not being collected and properties are not available for auction in accordance with statute.

Recommendation The Tax Collector should establish proper policies, procedures, and controls to account for the treatment of returned checks such that only collected taxes are settled and penalties and interest are accurately calculated when appropriate.

Response I took office January 2, 2024. We will comply.

21. The Tax Collector is settling in excess of funds collected.

Repeat Finding Yes-2021-15

Criteria Per *Section 27-29-11, Mississippi Code Annotated (1972)*, the Tax Collector should report “all taxes collected by him during the preceding month for the state, levee, and county respectively” and should “pay over all the taxes collected” to the appropriate entities.

Condition During the course of our cash count and related reconciliation, we found that the Tax Collector had insufficient funds available on the date of the cash count to settle all outstanding liabilities.

Cause The Tax Collector has not established adequate controls over collections to ensure taxes collected, deposited, and recorded are properly accounted for and available to settle amounts due to the appropriate entities.

Effect Inadequate controls over collections and the subsequent settlements could result in a shortage of funds available for the settlement of liabilities and improper revenue recognition.

Recommendation The Tax Collector should ensure controls over tax collections are properly designed and implemented to assure adequate monies are available for the settlement of amounts due the appropriate entities.

Response I took office January 2, 2024. We will comply.

Chancery Clerk

22. Public Officials Should Ensure Compliance with State Law over the Minutes of the Board of Supervisors.

Repeat Finding No

Criteria *Section 19-3-27, Mississippi Code Annotated (1972), states, "It shall be the duty of the clerk of the board of supervisors to keep and preserve a complete and correct record of all the proceedings and orders of the board. He shall enter on the minutes the names of the members who attend at each meeting, and the names of those who fail to attend. He shall safely keep and preserve all records, books, and papers pertaining to his office, and deliver them to his successor when required. The minutes of each day's proceedings shall either (a) be read and signed by the president or the vice president, if the president is absent or disabled so as to prevent his signing of the minutes, on or before the first Monday of the month following the day of adjournment of any term of the board of supervisors; or (b) be adopted and approved by the board of supervisors as the first order of business on the first day of the next monthly meeting of the board."*

Condition During the course of our audit, we noted the following instances of noncompliance:

- Minutes for January were not approved until April
- Minutes for February were not approved until April
- Minutes for March were not approved until May
- Minutes for April were not approved until July
- Part of the minutes for May was not approved until September
- Part of the minutes for May was not approved until October
- Minutes for July were not approved until November
- Minutes for August and September were not approved until December

Cause The Clerk of the Board has failed to timely record and obtain approval for the minutes of the board of supervisors.

Effect Failure to timely record and obtain approval of the minutes results in noncompliance with State law. Further, failure to timely record the minutes and orders of the Board of Supervisors could result in an inability to communicate the actions of the Board to the necessary parties.

Recommendation We recommend the Clerk of the Board prepare, obtain approval, and record the minutes within the timeframe statutorily allowed.

Response We will comply.

23. The Clerk of the Board should ensure publication of the synopsis of the county audit report.

Repeat Finding No

Criteria *Section 7-7-221, Mississippi Code Annotated (1972), states that, "As soon as possible after an annual audit of the fiscal and financial affairs of a county...has been made and a copy of such report of audit or examination has been filed with the board of supervisors of such county and the clerk thereof, as required in Section 7-7-215, the clerk of the board of supervisors shall publish a synopsis of such report in a form prescribed by the State Auditor.*

The clerk of the board of supervisors shall deliver a copy of the aforesaid synopsis to some newspaper published in the county, and, if no newspaper is published in the county, then to a newspaper having a general circulation therein, to be published."

Condition During the course of our audit, we noted that the prior year's audit report was not filed with the board of supervisors.

Auditors were unable to obtain proof of publication of the synopsis of the prior year audit.

Cause The prior year's audit report was not filed with the Board of Supervisors. The Clerk of the Board did not ensure that the synopsis of the prior year's audit report was published.

Effect Failure to properly file the audit with the Board and failure to publish a synopsis of the audit report results in noncompliance with state statutes as well as a lack of transparency with regard to the audit report and notification to the public.

Recommendation The Clerk of the Board should ensure that the audit report is filed with the Board of Supervisors and that a synopsis is published in the proper format, as prescribed by statute and the Office of the State Auditor.

Response We published this in the Commonwealth. We will comply.

24. The Chancery Clerk Should Ensure Compliance with State Law Regarding the Timely Deposit of Funds.

Repeat Finding No

Criteria *Section 25-1-72, Mississippi Code Annotated (1972), states that, "All county officers who receive funds payable into the county treasury shall deposit such funds into the county depository on the day when they are collected or on the next business day thereafter."*

Condition	During the course of our test work, we found that six (6) out of ten (10) land redemption deposits tested were not made in a timely manner. We further noted one deposit was held for ten (10) days.
Cause	These delays are due to inadequate internal controls surrounding the statutory requirements for depositing of revenue collected in the office.
Effect	Inadequate controls surrounding the deposits of revenue collections could result in improper revenue recognition and noncompliance with statutory requirements. Failure to implement controls over cash could result in a delay in the timely reconciliation of bank accounts and settlement of funds.
Recommendation	The Chancery Clerk should ensure that the deposits are being made in a timely manner as prescribed by statute.
Response	We will work to ensure the timeliness of deposits. We will comply.
25.	<u>The Chancery Clerk should strengthen internal controls over bank reconciliations of the Land Redemption account.</u>
Repeat Finding	No
Criteria	An effective system of internal control requires bank reconciliations be prepared accurately and timely and any identified unreconciled differences be resolved in a timely manner.
Condition	During the course of our cash count, we noted an unidentified overage of \$360,293.73 .
Cause	The system of internal control failed to ensure that a timely and accurate bank reconciliation was performed for the land redemption account.
Effect	Failure to complete an accurate and timely bank reconciliation results in a weakness in the system of internal control over cash and may result in inappropriate or insufficient settlements to the various parties.
Recommendation	The Clerk should establish and maintain an effective internal control system over cash and ensure that all bank reconciliations are prepared timely and accurately.
Response	We will ensure the timeliness and reconciliation to identify overage. We will comply.
26.	<u>The Chancery Clerk should strengthen internal controls over bank reconciliations of the Fee, Payroll Clearing, Clearing, and Mineral Stamp Accounts.</u>
Repeat Finding	No
Criteria	An effective system of internal control requires bank reconciliations be prepared accurately and timely.
Condition	During the course of our audit, we noted that bank reconciliations were not being accurately and completely reconciled.

Cause	The system of internal control failed to ensure that timely and accurate bank reconciliations were performed for the Chancery Clerk’s accounts.
Effect	Failure to complete accurate and timely bank reconciliations results in a weakness in the system of internal control over cash.
Recommendation	The Chancery Clerk should establish and maintain an effective internal control system over cash and ensure that all bank reconciliations are prepared timely and accurately.
Response	We will comply.
27.	<u>The Chancery Clerk Should Ensure Compliance with State Law over Maintaining a Fee Journal.</u>
Repeat Finding	No
Criteria	<p><i>Section 9-1-43(1), Mississippi Code Annotated (1972), further states, “(1) After making deductions for employer contributions paid by the chancery or circuit clerk to the Public Employees’ Retirement System under Sections 25-11-106.1 and 25-11-123(f)(4), employee salaries and related salary expenses, and expenses allowed as deductions by Schedule C of the Internal Revenue Code, no office of the chancery clerk or circuit clerk of any county in the state shall receive fees as compensation for the chancery clerk’s or circuit clerk’s services in excess of Ninety-seven Thousand Dollars (\$97,000.00).”</i></p> <p><i>Section 9-1-43(3), Mississippi Code Annotated (1972), states, “The chancery clerk and the circuit clerk shall be liable on their official bond for the proper deposit and accounting of all monies received by his office. The State Auditor shall promulgate uniform accounting methods for the accounting of all sources of income by the offices of the chancery and circuit Clerk.”</i></p>
Condition	We were unable to tie out certain amounts of revenues reported on the Annual Financial Report.
Cause	The Clerk did not properly maintain a fee journal during the year, and all receipts and expenses were not properly recorded to match the balances reported on the Annual Financial Report.
Effect	Failure to maintain an accurate fee journal could result in the loss or misappropriation of public funds.
Recommendation	The Clerk should maintain an accurate and complete accounting system that encompasses all revenue and expenses.
Response	We will post the necessary receipts and expenses to the Fee journal timely. We will comply.

28. The Chancery Clerk Should Ensure Compliance with State Law over Expenses Claimed.

Repeat Finding No

Criteria *Section 9-1-43(1), Mississippi Code Annotated (1972), further states, “(1) After making deductions for employer contributions paid by the chancery or circuit clerk to the Public Employees’ Retirement System under Sections 25-11-106.1 and 25-11-123(f)(4), employee salaries and related salary expenses, and expenses allowed as deductions by Schedule C of the Internal Revenue Code, no office of the chancery clerk or circuit clerk of any county in the state shall receive fees as compensation for the chancery clerk’s or circuit clerk’s services in excess of Ninety-seven Thousand Dollars (\$97,000.00).”*

Condition The Clerk did not maintain proper supporting documentation to support all expenses claimed.

Auditors were unable to obtain supporting documentation for office expenses, contract services, travel expenses, and contract labor totaling **\$17,936.30**.

Cause The Clerk did not maintain the necessary documentation to support that all expenses claimed were Schedule C deductions.

Effect Failure to maintain all necessary supporting documentation for expenses and claiming expenses that are not allowable could result in the loss or misappropriation of public funds.

Recommendation The Clerk should maintain support for all expenses claimed on the AFR.

Response We will keep receipts and supporting documentation of all office expenses. We will comply.

29. The Chancery Clerk should ensure timely compliance with audit requests.

Repeat Finding No

Criteria *Section 7-7-211, Mississippi Code Annotated (1972), states, “The [audit] department shall have the power and it shall be its duty...(e) To postaudit and, when deemed necessary, preaudit and investigate separately the financial affairs of (i) the offices, boards and commissions of county governments and any departments and institutions thereof and therein... (k) The State Auditor shall have the authority to contract with qualified public accounting firms to perform selected audits required in paragraphs (d), (e), (f) and (j) of this section....”*

Condition During the course of the audit, auditors experienced substantial delays in obtaining items requested from the offices of the Chancery Clerk, County Administrator, and Comptroller. The Chancery Clerk is appointed as both the County Administrator and the Comptroller.

Auditors began requesting information in advance of the audit as early as July 2023. As of March 2024, auditors were still awaiting critical information and documentation from these offices.

Cause The Chancery Clerk in his various capacities did not timely comply with auditor’s requests for information and/or documentation.

Effect Failure to respond or substantial delays in responding to auditors’ requests resulted in lengthy audit delays and an inability to timely issue the report.

Recommendation The Chancery Clerk should ensure that the various offices under his supervision timely and completely comply with audit requests.

Response We will work to submit requested information timely. We will comply.

Circuit Clerk

30. The Circuit Clerk Should Ensure Compliance with State Law Regarding the Timely Deposit of Funds.

Repeat Finding No

Criteria *Section 25-1-72, Mississippi Code Annotated (1972), states that, “All county officers who receive funds payable into the county treasury shall deposit such funds into the county depository on the day when they are collected or on the next business day thereafter.”*

Condition During the course of our test work, we noted that five (5) out of twenty (20) deposits tested were not made in a timely manner.

Cause These delays are due to inadequate internal controls surrounding the statutory requirements for depositing of revenue collected in the office.

Effect Inadequate controls surrounding the deposits of revenue collections could result in improper revenue recognition and noncompliance with statutory requirements. Failure to implement controls over cash could result in a delay in the timely reconciliation of bank accounts and settlement of funds.

Recommendation The Clerk should ensure that the deposits are being made in a timely manner as prescribed by statute.

Response I was appointed on 12/4/23 to complete the 2023 term of Elmes Stockstill due to his passing away. On 1/1/24, I was appointed to the 2024 term of Circuit Clerk until the special election occurs in November 2024. We will comply.

31. The Circuit Clerk should strengthen internal controls over bank reconciliations of the Criminal and Civil Accounts.

Repeat Finding No

Criteria	An effective system of internal control requires bank reconciliations be prepared accurately and timely.
Condition	During the course of our audit, we noted that bank reconciliations were not being performed for these two accounts.
Cause	The system of internal control failed to ensure that timely and accurate bank reconciliations were performed for the Clerk's accounts.
Effect	Failure to complete accurate and timely bank reconciliations results in a weakness in the system of internal control over cash.
Recommendation	The Clerk should establish and maintain an effective internal control system over cash and ensure that all bank reconciliations are prepared timely and accurately.
Response	I was appointed on 12/4/23 to complete the 2023 term of Elmes Stockstill due to his passing away. On 1/1/24, I was appointed to the 2024 term of Circuit Clerk until the special election occurs in November 2024. We will comply.

Solid Waste

32. Solid Waste Department has Insufficient Separation of Duties in the Collection, Deposit, Recording, Settling, and Reconciling Functions.

Repeat Finding No

Criteria An effective system of internal control should include an adequate segregation of duties in the collection, deposit, recording, settling, and reconciling functions.

Condition During the course of our audit, we noted that the same individual collects money, reviews the collections for the day, prepares the deposit, takes the deposit, settles the account, and reconciles the account.

Cause The Solid Waste Department has not established a system of internal control with adequate separation of duties concerning the collection, deposit, recording, settling, and reconciling.

Effect Failure to properly separate the accounting duties could result in the misappropriation of public funds.

Recommendation The Solid Waste Department should ensure that there is an adequate separation of duties in the collection, deposit, recording, settling, and reconciling functions within the office.

Response We will comply with these recommendations.

Receiving Clerk

33. Public Officials Should Ensure that the Receiving Clerk Properly Acknowledges Receipt of all Purchases and Executes a Receiving Report in Compliance with State Law.

Repeat Finding	No
Criteria	<i>Section 31-7-109, Mississippi Code Annotated (1972), states, "The receiving clerk or his assistants shall, upon proper delivery of equipment, heavy equipment, machinery, supplies, commodities, materials or services, acknowledge receipt of goods in compliance with a receipting system prescribed by the State Department of Audit under the authority of Section 7-7-211 and in accordance with Section 31-7-113, and the receiving clerk shall be responsible for the maintenance of such system."</i>
Condition	During the course of our test work, we noted the following instances of non-compliance: <ul style="list-style-type: none"> • Six (6) instances where the receiving report was signed by someone other than a properly designated Receiving Clerk/Assistant Receiving Clerk.
Cause	Individuals other than those approved and bonded by the Board signed receiving reports.
Effect	The County is not in compliance with the State's receiving law, and this may result in the misappropriation of public funds or assets.
Recommendation	The Receiving Clerk should ensure that all items purchased by the County are properly acknowledged as received by correctly completing a receiving report.
Response	We will comply.
Road Manager	

34. The Road Manager Should Prepare All Requisitions for the County Road Department.

Repeat Finding	No
Criteria	<i>Section 65-17-1(2), Mississippi Code Annotated (1972), states, "All requisitions for the purchase and repair of all equipment, heavy equipment, machinery, supplies, commodities, materials and services for the county road department shall be prepared by the county road manager and submitted to the county department of purchasing for processing in accordance with the central purchasing system."</i>
Condition	During the course of our test work, we noted the following instances of non-compliance: <ul style="list-style-type: none"> • Nine (9) instances where the Purchase Requisition for the Road Department was signed by someone other than the Road Manager
Cause	The Road Manager is not signing the purchase requisitions for the Road Department.
Effect	The County is not in compliance with State law, and this may result in the misappropriation of public funds.

Recommendation The Road Manager should verify that he or she signs all purchase requisitions for the road department.

Response We will comply.

Purchase Clerk and Chancery Clerk

35. Public Officials should ensure compliance with State Law over Credit Cards.

Repeat Finding No

Criteria *Section 19-3-68, Mississippi Code Annotated (1972), states, "The board of supervisors of any county may acquire one or more credit cards which may be used by members of the board of supervisors and county employees to pay expenses incurred by them when traveling in or out of the state in the performance of their official duties.*

The chancery clerk or county purchase clerk shall maintain complete records of all credit card numbers and all receipts and other documents relating to the use of such credit cards.

The supervisors and county employees shall furnish receipts for the use of such credit cards each month to the chancery clerk or purchase clerk who shall submit a written report monthly to the board of supervisors. The report shall include an itemized list of all expenditures and use of the credit cards for the month, and such expenditures may be allowed for payment by the county in the same manner as other items on the claims docket.

The issuance of a credit card to a supervisor or county employee under the provisions of this section does not authorize the supervisor or county employee to use the credit card to make any expenditure that is not otherwise authorized by law.

Any supervisor or county employee who uses the credit card to make an expenditure that is not approved for payment by the board shall be personally liable for the expenditure and shall reimburse the county."

Condition During the course of our audit, we noted that the required monthly reports of credit card usage were not being prepared and submitted to the Board of Supervisors.

Cause The Purchase Clerk and/or Chancery Clerk are not filing the required monthly reports to the Board of Supervisors as required by State Law.

Effect The County is not in compliance with State Law, and this may result in the misappropriation of public funds.

Recommendation The Purchase Clerk and/or Chancery Clerk should ensure compliance by preparing and filing itemized monthly reports of credit card expenditures with the Board of Supervisors.

Response We will comply according to the statute.

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

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

Bridgers, Goodman, Baird & Clarke, PLLC

Bridgers, Goodman, Baird & Clarke, PLLC
Certified Public Accountants
Vicksburg, Mississippi
April 9, 2024

LEFLORE COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

LEFLORE 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
	Governmental activities	Unmodified
	Aggregate discretely presented component units	Unmodified
	General Fund	Unmodified
	Road and Bridge Fund	Unmodified
	Covid Fund	Unmodified
	GO Indebtedness Bond Fund	Unmodified
	Aggregate remaining fund information	Unmodified
2.	Internal control over financial reporting:	
	a. Material weakness(es) identified?	No
	b. Significant deficiency(ies) identified?	None Reported
3.	Noncompliance material to the financial statements noted?	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*.