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



**MARSHALL COUNTY
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MARSHALL COUNTY

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Members of the Board of Supervisors
Marshall County, Mississippi

Report on the Audit of the Financial Statements

Unmodified Opinions

We have audited the accompanying financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Marshall 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 units, each major fund, and the aggregate remaining fund information of Marshall County, Mississippi, as of September 30, 2022, and the respective changes in financial position 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 Marshall County Library System which is a discretely presented component unit and represents 3% of the assets, (6)% of the net position, and 20% of the revenues of the aggregate discretely presented component units as of September 30, 2022, and the respective changes in financial position thereof for the year then ended. 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 Marshall County Library System 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 Budgetary Comparison Schedules and corresponding notes, the Schedule of the County's Proportionate Share of the Net Pension Liability, and the Schedule of the County's Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to this required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Omission of Required Supplementary Information

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

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 September 5, 2023, on our consideration of Marshall 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 Marshall 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 Marshall 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
September 5, 2023

MARSHALL COUNTY

FINANCIAL STATEMENTS

MARSHALL COUNTY
Statement of Net Position
September 30, 2022

Exhibit 1

	Primary Government Governmental Activities	Marshall County Industrial Dev. Authority	Component Units Marshall County Library	Total Component Units
ASSETS				
Cash	\$ 38,815,872	2,448,518	29,560	2,478,078
Certificates of Deposit		210,329		210,329
Investment in Chickasaw-Marshall Joint Venture		516,688		516,688
Property tax receivable	20,916,890			-
Accounts receivable, net of allowance for uncollectibles of \$581,117	7,884			-
Fines receivable, net of allowance for uncollectibles of \$4,535,615	469,409			-
Intergovernmental receivables	294,597	379,032	5,955	384,987
Other receivables	7,551	66,134	5,186	71,320
Restricted Cash	-		2,477	2,477
Prepaid items	-		1,842	1,842
Capital assets:				
Land and construction in progress	7,545,048	259,000		259,000
Other capital assets, net	79,775,264	16,238	86,124	102,362
Total Assets	147,832,515	3,895,939	131,144	4,027,083
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pension	5,062,215		42,094	42,094
Deferred outflows related to OPEB	-		17,936	17,936
Total Deferred Outflows of Resources	5,062,215	-	60,030	60,030
LIABILITIES				
Claims payable	208,366	17,179	414	17,593
Intergovernmental payables	581,513			-
Accrued interest payable	63,140	2,239		2,239
Amounts held in custody for others	16,304			-
Unearned revenue	6,855,446			-
Long-term liabilities				
Due within one year:				
Capital debt	887,864			-
Non-capital debt	684,552	12,529		12,529
Lease Liability			4,848	4,848
Net OPEB liability	-		1,120	1,120
Due in more than one year:				
Capital debt	12,533,175			-
Non-capital debt	6,090,898	53,605		53,605
Lease Liability			8,344	8,344
Net pension liability	27,986,334		350,745	350,745
Net OPEB liability	-		26,308	26,308
Total Liabilities	55,907,592	85,552	391,779	477,331
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pension	23,855		2,657	2,657
Deferred inflows related to OPEB	-		23,965	23,965
Deferred revenues- property tax	20,916,890			
Total Deferred Inflows of Resources	20,940,745	-	26,622	26,622
NET POSITION				
Net investment in capital assets	73,899,273	275,238	72,932	348,170
Restricted:				
General government	1,270,277			-
Public safety	2,162,992			-
Public works	12,180,712			-
Culture and recreation	52,666			-
Economic development	145,750			-
Debt service	889,910			-
Unemployment			2,477	2,477
Unrestricted	(14,555,187)	3,535,149	(302,636)	3,232,513
Total Net Position	\$ 76,046,393	3,810,387	(227,227)	3,583,160

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

MARSHALL 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	Component Units		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Governmental Activities	Marshall County Industrial Dev. Authority	Marshall County Library	Total Component Units
Primary government:								
Governmental activities:								
General government	\$ 10,905,896	1,882,203	3,700,000		(5,323,693)			
Public safety	7,947,077	325,213	1,495,316		(6,126,548)			
Public works	6,995,556		2,588,296	1,542,773	(2,864,487)			
Health and welfare	1,796,862		120,937		(1,675,925)			
Culture and recreation	852,276		468,744		(383,532)			
Conservation of natural resources	104,369				(104,369)			
Economic development and assistance	1,346,674		669,277		(677,397)			
Interest expense	308,132				(308,132)			
Bond issue costs	396,260				12,396,499			
Pension expense	3,475,103				(3,475,103)			
Total Primary Government	\$ 34,128,205	2,207,416	9,042,570	1,542,773	(21,335,446)			
Component Units:								
Marshall County Ind. Dev. Authority	\$ 179,151	750,747				571,596		571,596
Marshall County Library	298,976	9,706	262,339	24,997			(1,934)	(1,934)
Total Component Units	\$ 478,127	760,453	262,339	24,997				569,662
General revenues:								
Property taxes					\$ 23,797,952			-
Road & bridge privilege taxes					515,902			-
Grants and contributions not restricted to specific programs					3,334,478	429,932	-	429,932
Unrestricted interest/investment income					147,826	6,349	6	6,355
Miscellaneous					898,586	6,590		6,590
Total General Revenues					28,694,744	442,871	6	442,877
Changes in Net Position					7,359,298	1,014,467	(1,928)	1,012,539
Net Position - Beginning, as previously reported					68,687,095	2,795,920	(223,490)	2,572,430
Prior period adjustments					-		(1,809)	(1,809)
Net Position - Beginning, as restated					68,687,095	2,795,920	(225,299)	2,570,621
Net Position - Ending					\$ 76,046,393	3,810,387	(227,227)	3,583,160

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

MARSHALL COUNTY
Balance Sheet – Governmental Funds
September 30, 2022

Exhibit 3

	Major Funds				
	General Fund	ARPA Fund	Road Maintenance Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 15,248,307	6,871,232	5,178,679	11,517,654	38,815,872
Property tax receivable	13,755,068		6,031,196	1,130,626	20,916,890
Fines receivable (net of allowance for uncollectibles of \$4,535,615)	469,409				469,409
Accounts receivable (net of allowance for uncollectibles of \$581,117)	7,884				7,884
Intergovernmental receivables	294,597				294,597
Other receivables	7,551				7,551
Due from other funds			131,831	10,999	142,830
Total Assets	<u>29,782,816</u>	<u>6,871,232</u>	<u>11,341,706</u>	<u>12,659,279</u>	<u>60,655,033</u>
LIABILITIES					
Claims payable	110,980		94,621	2,765	208,366
Intergovernmental payables	570,851				570,851
Due to other funds	153,492				153,492
Amounts held in custody for others	16,304				16,304
Unearned Revenue		6,855,446			6,855,446
Total Liabilities	<u>851,627</u>	<u>6,855,446</u>	<u>94,621</u>	<u>2,765</u>	<u>7,804,459</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	13,755,068	-	6,031,196	1,130,626	20,916,890
Unavailable revenue-fines	469,409				469,409
Unavailable revenue-sanitation fees	7,884				7,884
Total Deferred Inflows of Resources	<u>14,232,361</u>	<u>-</u>	<u>6,031,196</u>	<u>1,130,626</u>	<u>21,394,183</u>
FUND BALANCE					
Restricted for:					
General government		15,786		1,254,491	1,270,277
Public safety				2,162,992	2,162,992
Public works			5,215,889	6,956,939	12,172,828
Culture and recreation				52,666	52,666
Economic development				145,750	145,750
Debt service				953,050	953,050
Unassigned	14,698,828				14,698,828
Total Fund Balances	<u>14,698,828</u>	<u>15,786</u>	<u>5,215,889</u>	<u>11,525,888</u>	<u>31,456,391</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>29,782,816</u>	<u>6,871,232</u>	<u>11,341,706</u>	<u>12,659,279</u>	<u>60,655,033</u>

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

MARSHALL 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	\$ 31,456,391
Amounts reported for governmental services in the Statement of Net Position are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$95,917,589.	87,320,312
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	477,293
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	(20,196,489)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(63,140)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(27,986,334)
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	5,062,215
Deferred inflows of resources related to pensions	(23,855)
Total Net Position - Governmental Activities	\$ <u>76,046,393</u>

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

MARSHALL COUNTY**Exhibit 4****Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds****For the Year Ended September 30, 2022**

	Major Funds			Other Governmental Funds	Total Governmental Funds
	General Fund	ARPA Fund	Road Maintenance Fund		
REVENUES					
Property taxes	\$ 16,079,461		6,649,668	1,068,823	23,797,952
Road and bridge privilege taxes			515,902		515,902
Licenses, commissions and other revenue	1,426,338			10,205	1,436,543
Fines and forfeitures	439,875			2,476	442,351
Intergovernmental revenues	3,833,472		2,247,624	7,838,725	13,919,821
Charges for services	105,080			325,213	430,293
Interest income	75,467	14,081	22,083	36,195	147,826
Rental income	15,600			50,684	66,284
Miscellaneous revenues	606,891		30,650	29,465	667,006
Total Revenues	<u>22,582,184</u>	<u>14,081</u>	<u>9,465,927</u>	<u>9,361,786</u>	<u>41,423,978</u>
EXPENDITURES					
Current:					
General government	8,888,097			2,757,548	11,645,645
Public safety	6,627,229			2,799,654	9,426,883
Public works	157,976		9,028,777	1,402,065	10,588,818
Health and welfare	1,806,728				1,806,728
Culture and recreation	676,499			228,237	904,736
Conservation of natural resources	109,560				109,560
Economic development and assistance	728,048			637,282	1,365,330
Debt service:					
Principal	5,907,420		44,349	90,727	6,042,496
Interest	199,542		7,431	103,103	310,076
Bond issue costs	395,260				395,260
Total Expenditures	<u>25,496,359</u>	<u>-</u>	<u>9,080,557</u>	<u>8,018,616</u>	<u>42,595,532</u>
Excess of Revenues over (under) Expenditures	<u>(2,914,175)</u>	<u>14,081</u>	<u>385,370</u>	<u>1,343,170</u>	<u>(1,171,554)</u>
OTHER FINANCING SOURCES (USES)					
Long-term capital debt issued	10,760,000		1,098,222	1,250,000	13,108,222
Proceeds from sale of capital assets	29,901		138,288	-	168,189
Transfers in				1,355,528	1,355,528
Transfers out	(704,595)		(500,000)	(150,933)	(1,355,528)
Total Other Financing Sources and Uses	<u>10,085,306</u>	<u>-</u>	<u>736,510</u>	<u>2,454,595</u>	<u>13,276,411</u>
Net Changes in Fund Balances	<u>7,171,131</u>	<u>14,081</u>	<u>1,121,880</u>	<u>3,797,765</u>	<u>12,104,857</u>
Fund Balances - Beginning	<u>7,527,697</u>	<u>1,705</u>	<u>4,094,009</u>	<u>7,728,123</u>	<u>19,351,534</u>
Fund Balances - Ending	<u>\$ 14,698,828</u>	<u>15,786</u>	<u>5,215,889</u>	<u>11,525,888</u>	<u>31,456,391</u>

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

MARSHALL COUNTY**Exhibit 4-1****Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2022**

	<u>Amount</u>
Net Change in Fund Balances - Governmental Funds	\$ 12,104,857
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. Thus, the change in net position differs from the change in fund balances by the amount that capital outlay of \$7,109,288 exceeded depreciation of \$2,656,712 in the current period.	4,452,576
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, while in the governmental funds, the proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the net gain of \$165,296, and the proceeds from the sale of capital assets of \$168,189 in the current period.	(2,893)
Fine revenue recognized on the modified accrual basis in the funds during the current year is decreased because prior year recognition would have been required on the Statement of Activities using the full-accrual basis of accounting.	(101,771)
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.	0
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the Governmental Funds, but the repayment reduces long-term liabilities in the Statement of Net Position. Thus, the change in net position differs from the change in fund balances by the amount of debt repayment of \$6,042,496 was exceeded by debt proceeds of \$13,108,222.	(7,065,726)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
Change in compensated absences	(229,325)
Change in accrued interest payable	1,944
Items reported in the Statement of Activities relating to the implementation of GASB 68 are not reported in the governmental funds. These activities include:	
Recognition of pension expense for the current year	(3,475,103)
Recognition of contributions made for the current year	1,674,739
Change in Net Position of Governmental Activities	\$ <u><u>7,359,298</u></u>

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

MARSHALL COUNTY
Statement of Fiduciary Net Position
September 30, 2022

Exhibit 5

	<u>Custodial Funds</u>
ASSETS	
Cash	\$ 0
Due from other funds	<u>10,662</u>
Total Assets	<u><u>10,662</u></u>
LIABILITIES	
Intergovernmental payables	<u>10,662</u>
Total Liabilities	<u><u>\$ 10,662</u></u>
NET POSITION	
Restricted for:	
Individuals, organizations and other governments	<u>0</u>
Total Net Position	<u><u>\$ 0</u></u>

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

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

Exhibit 6

	<u>Custodial Funds</u>
ADDITIONS	
Tax collections for other governments	\$ 1,042,397
Licenses and fees collected for State	<u>706,217</u>
Total Additions	<u><u>1,748,614</u></u>
DEDUCTIONS	
Payments of tax to other governments	1,042,397
Payments of licenses and fees to State	<u>891,542</u>
Total Deductions	\$ <u><u>1,933,939</u></u>
Net increase (decrease) in fiduciary net position	(185,325)
Net Position - Beginning of year	<u>185,325</u>
Net Position - End of year	\$ <u><u>0</u></u>

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

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

NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

A. Financial Reporting Entity.

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

The component units' columns in the financial statements include the financial data of the following component units of the County. They are reported in separate columns to emphasize that they are legally separate from the County. The majority of the members of the governing bodies of these component units were appointed by the County Board of Supervisors.

The County reports the following discretely presented component units. Complete financial statements for these component units can be obtained through the Marshall County Board of Supervisors.

- Marshall County Industrial Development Authority
- Marshall County Library System

The Marshall County Industrial Development Authority was organized in 1984, as authorized by the Legislature of the State of Mississippi, for the purpose of promoting economic development within Marshall County and the municipalities located there. The Legislature also authorized Marshall County and the municipalities of the county to levy an ad valorem tax to provide operating funds for the Industrial Development Authority. The Industrial Development Authority is a component unit of Marshall County, Mississippi. The Industrial Development Authority has a year end of September 30.

The Marshall County Library System operates libraries in Marshall County in Northwest Mississippi, under authority granted to it by the board of supervisors in said county. The County appoints all System board

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

members. The County provides funding for System programs through annual appropriations. The Library is a component unit of Marshall County, Mississippi. The Library has a year end of September 30.

Certified public accounting firms other than the primary government's auditor audited the financial statements for the Marshall County Library System listed above and provided these to the County as the primary government.

Financial information may be obtained from the Marshall County Administrator's office at 128 E. Van Dorn Avenue, Holly Springs, MS 38635.

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 Statement of Activities display information concerning the County as a whole. The statements include all non-fiduciary activities of the primary government. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities are generally financed through taxes, intergovernmental revenues, and other non-exchange revenues. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Funds are organized into governmental and fiduciary. 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.

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

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

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

The County reports the following major Governmental Funds:

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

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

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

Additionally, the County reports the following fund types:

GOVERNMENTAL FUND TYPES

Special Revenue Funds - These funds are used to account for and report the proceeds of specific 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.

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

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, and all certificates of deposit and cash equivalents, which are short-term highly liquid investments that are readily convertible to cash (generally three months or less). Investments in governmental securities are stated at fair value. However, the County did not invest in any governmental securities during the fiscal year.

G. Receivables.

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

H. Inter-fund 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." 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 extents 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. It is the practice of the County that no depreciation is taken on purchases of capital assets during the acquisition year.

A full year's depreciation is taken for all sales or other dispositions of capital assets during the year.

The schedule on the following page details those thresholds and estimated useful lives.

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

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

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 8 for additional details.

Deferred outflows related to OPEB – This amount represents the Marshall County Library's proportionate share of the deferred outflows of resources reported by the OPEB plan in which the Library participates.

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

Deferred revenues – property taxes/unavailable revenue – property taxes – Deferred inflows of resources should be reported when resources associated with imposed 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 – sanitation fees – When an asset is recorded in the governmental fund financial statements, but the revenue is not available, the government should report a deferred inflow of resources until such time as the revenue becomes available.

Deferred inflows related to pensions – This amount represents the County's proportionate share of the deferred inflows of resources reported by the pension plan in which the County participates. See Note 8

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

for additional details.

Deferred inflows related to OPEB – This amount represents the Marshall County Library's proportionate share of the deferred inflows of resources reported by the OPEB plan in which the Library participates.

K. Pensions.

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

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 Marshall County Library System, a component unit of the County, uses the estimated incremental borrowing rate 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 unmatured principal of bonds, loans, notes or other forms of noncurrent or long-term general obligation indebtedness. Long-term liabilities are not limited to liabilities from debt issuances but may also include liabilities on financed purchase agreements 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.

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

N. 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.

MARSHALL 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:

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 a specific purpose 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.

O. Property Tax Revenues.

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

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

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

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 vehicle 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.

P. 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.

Q. 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, Government Funds report the compensated absence liability payable only if the payable has matured, for example an employee resigns or retires.

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.

S. Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the State and School Employees' Life and Health Plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, benefit payments are recorded when the OPEB benefits come due. Investments are reported at fair value as determined by the state.

NOTE 2 – PRIOR PERIOD ADJUSTMENTS

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

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

COMPONENT UNIT - MARSHALL COUNTY LIBRARY SYSTEM

Exhibit 2 - Statement of Activities - Governmental Activities:

Explanation	Amount
To record GASB 87 lease liability	\$ (1,809)
Total prior period adjustments	\$ (1,809)

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposits:

The carrying amount of the County's total deposits with financial institutions as of September 30, 2022, was \$38,815,872 (which includes \$516,291 of certificates of deposit with maturities beyond three months), and the bank balance was \$41,933,088. 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.

Investments:

Investment balances as of September 30, 2022, are as follows:

Investment Type	Maturities	Fair Value Level	Fair Value
Certificate of Deposit	Less than 1 year	Level 1	\$ 516,291

Interest Rate Risk - The County does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, Section 19-9-29, Miss. Code Ann. (1972) limits the maturity period of any investment to no more than one year.

Credit Risk - State law limits investments to those authorized by Sections 19-9-29 and 91-13-8, Miss. Code Ann. (1972). The county does not have a formal investment policy that would further limit its investments choices or one that addresses credit risk.

Custodial Credit Risk - Investments. Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The county does not have a formal policy for custodial credit risk. Of the County's investment, \$516,291 were insured by securities pledged to the State Treasurer by that institution to replace the public deposits not covered by the Federal Deposit Insurance Corporation (FDIC).

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

Concentration of Credit Risk - The County places no limit on the amount the County may invest in any one issuer. More than 5 percent of the County's investments are in Certificates of Deposit. These investments are 100% of the County's total investments and are reported in the General Fund.

<u>Investment Type</u>	<u>Fund</u>	<u>Fair Value</u>	<u>Percent of Total Investments</u>
Certificate of Deposit	General Fund	\$ 516,291	100%

NOTE 4- INTER-FUND TRANSACTIONS AND BALANCES.

The following is a summary of inter-fund balances at September 30, 2022:

A. Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Road Maintenance Fund	General Fund	\$ 131,831
Other Governmental Funds	General Fund	10,999
Custodial Funds	General Fund	10,662
Total		<u>\$ 153,492</u>

The receivables represent tax revenue collected in September, 2022, 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. Transfers In/Out:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Other Governmental Funds	General Fund	\$ 704,595
Other Governmental Funds	Road Maintenance Fund	500,000
Other Governmental Funds	Other Governmental Funds	150,933
Total		<u>\$ 1,355,528</u>

The purposes of interfund transfers were to cover operating expenses, cover grant matching requirements, and to transfer one mill tax levy. All interfund transfers were routine and consistent with the activities of the fund making the transfer.

NOTE 5 - INTERGOVERNMENTAL RECEIVABLES.

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

Governmental Activities:

<u>Description</u>	<u>Amount</u>
State Legislative Tax Credit	\$ 294,597
Total	<u>\$ 294,597</u>

NOTE 6 - CAPITAL ASSETS.

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

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

Governmental Activities:	Balance Oct. 1, 2021	Additions	Deletions	Adjustments *	Balance Sept. 30, 2022
Non-depreciable capital assets:					
Land	\$ 821,339			300,000	1,121,339
Construction in progress	9,507,926	2,735,898		(5,820,115)	6,423,709
Total non-depreciable capital assets	10,329,265	2,735,898	-	(5,520,115)	7,545,048
Depreciable capital assets:					
Infrastructure	131,635,860	709,011		3,719,088	136,063,959
Buildings	17,389,155			3,031,027	20,420,182
Improvements other than buildings	940,944	267,840			1,208,784
Mobile equipment	12,612,779	2,186,342	21,593	1,390,012	16,167,540
Furniture and equipment	1,575,613	257,618	843		1,832,388
Leased Property	1,667,433	952,579		(2,620,012)	0
Total depreciable capital assets	165,821,784	4,373,390	22,436	5,520,115	175,692,853
Less accumulated depreciation for:					
Infrastructure	77,429,325	1,224,139			78,653,464
Buildings	5,168,580	344,958		248,800	5,762,338
Improvements other than buildings	112,917	48,354			161,271
Mobile equipment	8,890,550	651,189	19,434	481,383	10,003,688
Furniture and equipment	1,250,625	86,312	109		1,336,828
Leased Property	428,423	301,760		(730,183)	0
Total accumulated depreciation	93,280,420	2,656,712	19,543	-	95,917,589
Total depreciable capital assets, net	72,541,364	1,716,678	2,893	5,520,115	79,775,264
Total capital assets, net	\$ 82,870,629	4,452,576	2,893	-	87,320,312

* 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 were to reflect completed construction in progress.

Marshall County depreciation expense was charged to the following functions:

Governmental Activities:	Amount
General government	\$ 525,171
Public safety	510,815
Public works	1,614,426
Culture & recreation	4,521
Economic development	1,779
Total	\$ 2,656,712

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

Description of Commitment	Remaining Financial Commitment	Expected Date of Completion
Various road projects	\$ unknown	unknown
Justice Complex Expansion	251,851	9/30/2023

Capital Assets – Component Units:

MARSHALL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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Capital Assets - Component Units

Marshall County Library System

	Balance Oct. 1, 2021	Additions	Deletions	Adjustments	Balance Sept. 30, 2022
Depreciable Capital Assets:					
Library materials	\$ 233,162	18,972			252,134
Furniture and equipment	5,744	1,100			6,844
Computers and technology	25,938	26,058			51,996
Intangible right to use assets	-			24,490	24,490
Total depreciable capital assets	264,844	46,130	-	24,490	335,464
Less accumulated depreciation for:					
Library materials	183,681	19,375			203,056
Furniture and equipment	5,744	110			5,854
Computers and technology	22,603	4,378			26,981
Intangible right to use assets	-	4,898		8,551	13,449
Total accumulated depreciation	212,028	28,761	-	8,551	249,340
Total capital assets, net	\$ 52,816	17,369	-	15,939	86,124

Marshall County Industrial Dev. Authority

	Balance Oct. 1, 2021	Additions	Deletions	Adjustments	Balance Sept. 30, 2022
Non-depreciable capital assets:					
Land	\$ -	259,000			259,000
Total non-depreciable capital assets	-	259,000	-	-	259,000
Depreciable Capital Assets:					
Furniture and equipment	\$ 10,004				10,004
Computers and technology	14,860				14,860
Mobile equipment	19,750				19,750
Total depreciable capital assets	44,614	-	-	-	44,614
Less accumulated depreciation for:					
Furniture and equipment	5,461	649			6,110
Computers and technology	14,450	410			14,860
Mobile equipment	5,431	1,975			7,406
Total accumulated depreciation	25,342	3,034	-	-	28,376
Total depreciable capital assets, net	19,272	(3,034)	-	-	16,238
Total capital assets, net	\$ 19,272	255,966	-	-	275,238

NOTE 7 – CLAIMS AND JUDGEMENTS

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 - DEFINED BENEFIT PENSION PLAN.

MARSHALL COUNTY
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For the Year Ended September 30, 2022

General Information about the Pension Plan

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

Benefits Provided. Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public-school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.0 percent of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.5 percent for each additional year of creditable service with an actuarial reduction in 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. As of 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 as of 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 \$1,674,739, 1,503,855, and \$1,402,363 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 \$27,986,334 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

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 0.135964 percent, which was based on a measurement date of June 30, 2022. This was an increase of .007439 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 \$3,475,103. As of September 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 383,216	-
Net difference between projected and actual earnings on pension plan investments	1,669,154	-
Changes of assumptions	914,977	-
Changes in the proportion and differences between contributions and proportionate share of contributions	1,671,893	23,855
Contributions subsequent to the measurement date	422,975	-
Total	\$ 5,062,215	23,855

The \$422,975 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	\$ 1,661,889
2024	1,350,072
2025	84,809
2026	1,518,615
Total	\$ 4,615,385

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 were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75 and 101% for ages above 77. For females, 84% of the female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

MARSHALL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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The actuarial assumptions used for the purposes of determining the total pension liability were based on the results of an actuarial experience study for the period July 1, 2016 to June 30, 2020. The experience report is dated April 20, 2021.

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

The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022, are summarized in the following table:

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

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

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

	1% Decrease (6.55%)	Discount Rate (7.55%)	1% Increase (8.55%)
County's Proportionate share of the net pension liability	\$ 36,525,030	27,986,334	20,946,622

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

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

COMPONENT UNITS

Marshall County Library System

Plan Description. The Marshall County Library System contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan.

Contributions. The System's contributions (employer share only) to PERS for the years ending September 30, 2022, 2021 and 2020 were \$19,698, \$19,154, and \$20,231, 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 System reported a liability of \$350,745 for its proportionate share of the net pension liability. At June 30, 2022, the System's proportion was 0.001704 percent, which was a decrease of 0.000002 percent from its proportion measured as of June 30, 2021. For the year ended September 30, 2022, the System recognized pension expense of \$41,001. At September 30, 2022, the System reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,966	-
Net difference between projected and actual earnings on pension plan investments	18,423	-
Changes of assumptions	12,131	-
Changes in the proportion and differences between contributions and proportionate share of contributions	2,796	2,657
Contributions subsequent to the measurement date	3,778	-
Total	\$ 42,094	2,657

\$3,778 reported as deferred outflows of resources related to pensions resulting from 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	\$ 12,574
2024	6,992
2025	(2,940)
2026	19,033
Total	\$ 35,659

Sensitivity to the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

MARSHALL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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	1% Decrease (6.55%)	Discount Rate (7.55%)	1% Increase (8.55%)
Library's Proportionate share of the net pension liability	\$ 457,758	350,745	262,518

NOTE 9 – Other Postemployment Benefits (OPEB)
Component Unit – Marshall County Library System

General Information about the OPEB Plan.

Plan description.

State law mandates that all state, public education, library, junior and community college and retiring employees be offered health and life benefit coverage through the State and School Employees' Life and Health Insurance Plan (the Plan). The Plan was established by Section 25-15-3 et seq., Mississippi Code Ann. (1972), which may be amended only by the State Legislature. The State and School Employees' Health Insurance Management Board (the Board) administers the Plan. The Board has the sole legal authority to promulgate rules and regulations governing the operations of the Plan within the confines of the law governing the Plan. The Plan is self-insured and is financed through premiums collected from employers, employees, retirees, and COBRA participants. The Plan provides for Other Postemployment Benefits (OPEB) as a multiple employer defined benefit OPEB plan. The OPEB Plan issues a publicly available financial report that may be obtained at <http://knowyourbenefits.dfa.ms.gov/>.

Benefits provided.

The Plan was formed by the State Legislature to provide group health and life benefits to full-time active and retired employees of the State, agencies, universities, community/junior colleges, public school districts and public libraries. In addition, the spouse and/or children of covered employees and retirees, as well as surviving spouses and COBRA participants, may be eligible for health insurance coverage under the Plan. Benefits of the OPEB Plan consist of an implicit rate subsidy, which is essentially the difference between the average cost of providing health care benefits to retirees under age 65 and the average cost of providing health care benefits to all participants when premiums paid by retirees are not age adjusted. Employees' premiums are funded primarily by their employers. Retirees must pay their own premiums, as do active employees for spouse and dependent medical coverage. The Board has the sole authority for setting life and health insurance premiums for the Plan. Per Section 12-15-15 (10) Mississippi Code Ann. (1972), a retired employee electing to purchase retiree life and health insurance must pay the full cost of such insurance premium. If the Board determined actuarially that the premium paid by the participating retirees adversely affects the overall cost of the Plan to the State, then the Board may impose a premium surcharge, not to exceed 15%, upon such participating retired employees who are under the age for Medicare eligibility and who are initially employed before January 1, 2006. For participating retired employees who are under the age for Medicare eligibility and who are initially employed on or after January 1, 2006, the Board may impose a premium surcharge in an amount the Board determined actuarially to cover the full cost of insurance. The Plan offers a Base option and a Select option for health benefits for non-Medicare participants. The Plan includes a separate coverage level for Medicare eligible retirees, Medicare Eligible surviving spouses, and Medicare eligible dependents of retirees and surviving spouses.

Contributions.

MARSHALL COUNTY
NOTES TO THE FINANCIAL STATEMENTS
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The Board has the sole authority for setting life and health insurance premiums for the Plan. The required premiums vary based on the plan selected and the type of participant. Employers pay no premiums for retirees while employees' premiums are funded primarily by their employer. The Library System's contributions to the OPEB plan for the year ended September 30, 2022, were \$1,120 which was equal to the required contributions for the year.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

At September 30, 2022, the Library System reported a liability of \$27,428 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The basis for the Library System's proportion is determined by comparing the employer's average monthly employees participating in the Plan with the total average employees participating in the Plan in the fiscal year of all employers. The allocation was utilized because the level of premiums contributed by each employer is the same for any employee regardless of plan participation elections made by the employee. At the measurement date of June 30, 2022, the Library System's proportion was 0.00556712 percent. This was an increase of 0.00190748 percent from the proportionate share as of the measurement date of June 30, 2021.

For the year ended September 30, 2022, the Library System recognized OPEB expense (revenue) of (\$3,745). At September 30, 2022, the Library System reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,513	9,543
Net difference between projected and actual earnings on OPEB plan investments	2	
Changes of assumptions	23	11,883
Changes in the proportion and differences between System contributions and proportionate share of contributions	4,278	2,539
System contributions subsequent to the measurement date	1,120	
Total	\$ 17,936	23,965

\$1,120 reported by the System as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction to the net OPEB liability in year ending September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense (revenue) as follows:

MARSHALL COUNTY
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Year ending September 30:	Amount
2023	\$ (2,520)
2024	(2,206)
2025	(2,506)
2026	(1,750)
2027	1,306
2028	527
Total	\$ <u>(7,149)</u>

Actuarial assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following key actuarial assumptions and other inputs:

Inflation	2.40%
Salary Increases, including wage inflation	2.65% - 17.90%
Municipal Bond Index Rate	
Measurement Date	3.37%
Prior Measurement Date	2.13%
Year FNP is projected to be depleted	
Measurement Date	2022
Prior Measurement Date	2021
Single Equivalent Interest Rate, net of OPEB plan investment expense, including inflation	
Measurement Date	3.37%
Prior Measurement Date	2.13%
Healthcare cost trend rates Pre-Medicare	7.00% for 2023 decreasing to an ultimate rate of 4.50% by 2029

Mortality rates for service retirees were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77. For females, 84% of the female rates up to age 72 and 100% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134% for males and 121% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97% for males and 110% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The demographic actuarial assumptions used in the June 30, 2022, valuation were based on the results of the last actuarial experience study, dated April 20, 2021.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2022 valuation were based on a review of recent plan experience done concurrently with the June 30, 2022, valuation.

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

The long-term expected rate of return on OPEB plan investments is 4.50%.

Discount rate. The discount rate used to measure the total OPEB liability at June 30, 2022, was 3.37 percent. Since the Prior Measurement Date, the Discount Rate has changed from 2.13% to 3.37%. The trust was established on June 28, 2018 with an initial contribution of \$1,000,000. As of June 30, 2022, the trust has \$1,049,208. The fiduciary net position is projected to be depleted immediately; therefore, the Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2021, and the June 30, 2022 TOLs. The SEIR for 2021 is 2.13%, and for 2022 is 3.37%.

Sensitivity of the Library System's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the Library System's proportionate share of the net OPEB liability, as well as what the Library System's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.37 percent) or 1-percentage-point higher (4.37 percent) than the current discount rate:

	1% Decrease (2.37%)	Discount Rate (3.37%)	1% Increase (4.37%)
Library's Proportionate share of the net OPEB liability	\$ 25,520	27,428	29,576

Sensitivity of the Library System's proportionate share of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the Library System's proportionate share of the net OPEB liability, as well as what the Library System's proportionate share of the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rate - Current	1% Increase
Library's Proportionate share of the net OPEB liability	\$ 30,216	27,428	25,034

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial report that can be found at <http://knowyourbenefits.dfa.ms.gov/>.

NOTE 10 - LEASES.

Component Unit - Marshall County Library System

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

At lease commencement, the System initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, less lease payments made at or before the lease commencement date, plus any initial direct costs ancillary to placing the underlying asset into service, less any lease incentives received at or

MARSHALL COUNTY
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before the lease commencement date. Subsequently, the lease asset is amortized in lease expense on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset.

The System generally uses its estimated incremental borrowing rate as of 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 System 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 System and the lessor have unilateral option to terminate (or it both parties have agreed to extend) are excluded from the lease term.

Component Unit - Marshall County Library System

Lease Liabilities

	Balance			Implementation	Balance
	<u>Oct. 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Adjustments</u>	<u>Sept. 30, 2022</u>
Lexmark Copier at Byhalia	\$		1,200	2,920	1,720
Avaya Telephone System			1,044	4,168	3,124
Toshiba Copier at Holly Springs			2,312	10,660	8,348
Total	\$ <u>0</u>	<u>0</u>	<u>4,556</u>	<u>17,748</u>	<u>13,192</u>

The System entered into a lease agreement with Memphis Communications Corporations for the lease of a Lexmark copier. The lease stipulated that the lease would pay approximately \$112 per month in lease payments commencing November 15, 2018 for a term of 63 months.

The System entered into a lease agreement with Avatel for the lease of a telephone system. The lease stipulated that the lease would pay approximately \$106 per month in lease payments commencing June 22, 2020 for a term of 5 years.

The System entered into a lease agreement with Memphis Communications Corporations for the lease of a Toshiba copier. The lease stipulated that the lease would pay approximately \$243 per month in lease payments commencing September 14, 2020 for a term of 63 months.

<u>Description</u>	<u>Discount</u>	<u>Term</u>	<u>Issue</u>	<u>Maturity</u>	<u>Monthly</u>	<u>Amount</u>
	<u>Rate</u>		<u>Date</u>	<u>Date</u>	<u>Payment</u>	<u>Outstanding</u>
Lexmark Copier at Byhalia	6.25%	63 Mo	10/15/2018	1/15/2024	\$ 112.35	\$ 1,720
Avaya Telephone System	6.25%	5 Yrs	5/22/2020	5/22/2025	106.24	3,124
Toshiba Copier at Holly Springs	6.25%	63 Mo	8/14/2020	11/14/2025	242.71	8,348

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

<u>Year Ending September 30</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 4,848	687
2024	4,245	392
2025	3,617	145
2026	482	4
Total	<u>13,192</u>	<u>1,228</u>

NOTE 11 - LONG TERM DEBT.

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

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
A. General Obligation Bonds:			
Public Improvement & Refunding GO Bonds Series 2022	\$ 10,760,000	3.45	05/2042
Total General Obligation Bonds	<u>\$ 10,760,000</u>		
B. Financed Purchases:			
Buford Building Renewal	40,179	4.20	04/2024
County Office Complex Building	122,523	5.00	12/2026
Workforce Development Center (Land)	228,792	4.20	03/2029
2020 Dodge Ram 1500	6,492	2.98	06/2023
3-2021 Dodge Chargers	22,016	2.78	05/2023
2021 Chevrolet Silverado 1500	11,914	2.78	03/2023
(2) Used 2018 Ford F150's	61,588	3.53	05/2024
(1) Used 2017 Ford F150 4x4	30,574	3.53	05/2024
(1) Caterpillar 420 Backhoe	115,827	3.34	05/2026
(1) LeeBoy 8520B Asphalt Paver	219,003	3.53	05/2026
(1) Komatsu D39PX-24 Crawler Dozer	141,115	3.90	07/2027
(4) Cat 420 Cab Backhoe Loaders	477,275	3.90	07/2027
Total Financed Purchases	<u>\$ 1,477,298</u>		
C. Other Loans:			
MDA Lighthouse Plastics CAP Loan	\$ 250,138	3.00	*
NMCC Settlement	400,000	0.00	06/2026
TVA	1,700,000	variable	04/2034
MDA Roxul Project	3,429,237	3.00	03/2036
MDA Fire Truck CAP Loan	1,183,741	2.00	03/2032
Total Other Loans	<u>\$ 6,963,116</u>		

* Loan is past maturity date, and has been considered as uncollectible by Mississippi Development Authority. However, due to state statute, it is still reported as a liability on the County's financial statements.

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

Year Ending	General Obligation Bonds		Other Loans		Financed Purchases	
September 30:	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 405,000	345,441	799,951	125,692	367,465	49,039
2024	395,000	357,248	558,174	117,331	311,249	36,458
2025	410,000	343,620	566,764	108,741	267,355	25,989
2026	420,000	329,475	575,588	99,917	253,522	15,987
2027	435,000	314,985	484,653	90,852	145,863	8,241
2028-2032	2,425,000	1,338,427	2,487,236	309,773	131,844	15,876
2033-2037	2,875,000	890,100	1,490,750	86,046	-	-
2038-2042	3,395,000	359,145	-	-	-	-
Total	<u>\$ 10,760,000</u>	<u>4,278,441</u>	<u>6,963,116</u>	<u>938,352</u>	<u>1,477,298</u>	<u>151,590</u>

Legal Debt Margin - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of

MARSHALL COUNTY
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For the Year Ended September 30, 2022

assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation is increased to 20% whenever a county issues bonds to repair or replace washed out or collapsed bridges on the public roads of the County. As of September 30, 2022, the amount of outstanding debt was equal to 2.44% of the latest property assessments.

Current Refunding – On May 26, 2022, the County issued \$10,760,000 in general obligation refunding bonds with an average interest rate of 3.45% to refund \$5,290,000 of the following outstanding bond issue:

Issue	Interest Rate	Outstanding Amount Refunded
Public Improvement GO Bonds, Series 2017	3.25%	\$5,290,000

The County refunded the above bonds to reduce its total debt service payments over the next 10 years by almost \$1,132,371; however, the refunding resulted in an economic loss of \$1,062,297.

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
Compensated absences	\$ 766,750	229,325			996,075	
General obligation bonds	5,290,000	10,760,000	5,290,000		10,760,000	405,000
Other loans	6,207,931	1,250,000	494,815		6,963,116	799,951
Financed purchases	-	1,098,222	257,681	636,757	1,477,298	367,465
Capital lease obligations	636,757	-	-	(636,757)	-	-
Total	\$ 12,901,438	13,337,547	6,042,496	-	20,196,489	1,572,416

Compensated absences will be paid from the fund from which the employees' salaries were paid, which are generally the General Fund, Countywide Road Maintenance Fund, Bridge and Culvert Fund, and Other Governmental Funds.

COMPONENT UNITS:

Marshall County Industrial Development Authority

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
A. Notes Payable			
Airport note	\$ 66,134	3.25	09/27
Total Notes Payable	\$ 66,134		

Annual debt service requirements to maturity for the following Marshall County Industrial Development Authority debt reported in the Statement of Net Position are as follows:

MARSHALL COUNTY
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For the Year Ended September 30, 2022

Marshall County Industrial Development Authority

Year Ending September 30:	Notes Payable	
	Principal	Interest
2023	\$ 12,529	2,239
2024	12,942	1,826
2025	13,369	1,399
2026	13,810	958
2027	13,484	502
Total	\$ 66,134	6,924

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

Marshall County Industrial Development Authority

	Balance				Balance	Amount due
	Oct. 1, 2021	Additions	Reductions	Adjustments	Sept. 30, 2022	within one year
Notes payable	\$ 78,262		12,128		66,134	12,529
Total	\$ 78,262	-	12,128	0	66,134	12,529

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 amount of (\$14,555,187) 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 \$422,975 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 \$4,639,240 balance of the deferred outflow of resources related to pensions at September 30, 2022, will be recognized in pension expense over the next four years. The \$23,855 balance of the deferred inflow of resources related to pension at September 30, 2022, will be recognized in pension expense over the next three years.

Component Unit – Marshall County Library System:

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

The unrestricted net position amount of (\$302,636) includes the effect of deferring the recognition of expenses resulting from deferred outflows and deferred inflows from pensions. A portion of the deferred outflow of resources related to pension in the amount of \$3,778 resulting from System 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 \$35,659 balance of the net deferred outflow of resources related to pensions at September 30, 2022, will be recognized as expense, and will decrease the unrestricted net position over the next four years.

The unrestricted net position amount also includes the effect of deferring the recognition of expenses resulting from deferred outflows and deferred inflows from OPEB. A portion of the deferred outflow of resources related to pension in the amount of \$1,120 resulting from System contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended September 30, 2023. The \$7,149 balance of the net deferred inflow of resources related to OPEB at September 30, 2022, will be recognized as revenue, and will increase the unrestricted net position over the next six years.

NOTE 14 – JOINT VENTURES

The county participates in the following joint venture:

Marshall County is a participant with the City of Holly Springs in a joint venture, authorized by Section 61-3-5, Miss. Code Ann. (1972), to operate the Marshall County-Holly Springs Airport Authority. The joint venture was created to provide a governing authority for the airport facilities in Marshall County and is governed by a five-member board of commissioners. The board of commissioners is appointed as follows: Marshall County, two; City of Holly Springs, two; joint, one. The county appropriated \$31,600 to the joint venture in fiscal year 2022.

NOTE 15 - JOINTLY GOVERNED ORGANIZATIONS.

The County participates in the following jointly governed organizations:

Communicare operates in a district composed of the Counties of Calhoun, Lafayette, Marshall, Panola, Tate and Yalobusha. The Marshall County Board of Supervisors appoints one of the six members of the board of commissioners. The county appropriated \$50,000 for Communicare in fiscal year 2022.

Northwest Mississippi Community College operates in a district composed of the Counties of Benton, Calhoun, DeSoto, Lafayette, Marshall, Panola, Quitman, Tallahatchie, Tate, Tunica and Yalobusha. The Marshall County Board of Supervisors appoints two of the 23 members of the college board of trustees. The county appropriated \$1,042,397 for maintenance and support of the college in fiscal year 2022.

Northeast Mississippi Planning and Development District is composed of the Counties of Alcorn, Benton, Marshall, Prentiss, Tippah, and Tishomingo. The Marshall County Board of Supervisors appoints four of the 24 members of the board of directors. The county appropriated \$65,000 for support of Northeast Mississippi Planning and Development District in fiscal year 2022.

NOTE 16 – TAX ABATEMENT

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

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

The Marshall 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 eleven entities as of September 30, 2022.

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

<u>Category</u>	<u>Fiscal Year 2022</u>	
	<u>% of Taxes Abated</u>	<u>Amount of Taxes Abated</u>
Additions, expansions or equipment replacement	100.00%	\$ 7,445,694

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.

NOTE 17 - SUBSEQUENT EVENTS.

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the Statement of Net Position date require disclosure in the accompanying notes. Management of Marshall County evaluated the activity of the County through September 5, 2023 (the date the financial statements were available to be issued) and determined that the following events occurred that requires disclosure.

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

<u>Issue Date</u>	<u>Interest rate</u>	<u>Issue Amount</u>	<u>Type of Financing</u>	<u>Source of Financing</u>
12/22/2022	6.50%	17,210,000	G.O. Bond	Ad Valorem Tax
4/5/2023	5.59%	148,484	Financed Purchase	Ad Valorem Tax
5/1/2023	5.59%	145,878	Financed Purchase	Ad Valorem Tax
6/1/2023	5.78%	74,650	Financed Purchase	Ad Valorem Tax
7/19/2023	5.59%	754,793	Financed Purchase	Ad Valorem Tax
8/16/2023	6.34%	6,940	Financed Purchase	Ad Valorem Tax

MARSHALL COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

MARSHALL 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	\$ 16,076,519	16,076,519	16,076,519	-
Licenses, commissions and other revenue	1,420,563	1,420,563	1,420,563	-
Fines and forfeitures	436,937	436,937	436,937	-
Intergovernmental revenues	3,833,472	3,833,472	3,833,472	-
Charges for services	105,080	105,080	105,080	-
Interest income	74,113	74,113	74,113	-
Miscellaneous revenues	622,491	622,491	622,491	-
Total Revenues	<u>22,569,175</u>	<u>22,569,175</u>	<u>22,569,175</u>	<u>-</u>
EXPENDITURES				
General government	9,757,753	9,757,753	9,757,753	-
Public safety	6,644,809	6,644,809	6,644,809	-
Public works	160,536	160,536	160,536	-
Health and welfare	1,806,646	1,806,646	1,806,646	-
Culture and recreation	677,415	677,415	677,415	-
Conservation of natural resources	109,317	109,317	109,317	-
Economic development and assistance	714,522	714,522	714,522	-
Debt service:				
Principal paid	5,584,205	5,584,205	5,584,205	-
Interest and other costs	594,801	594,801	594,801	-
Total Expenditures	<u>26,050,004</u>	<u>26,050,004</u>	<u>26,050,004</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	<u>(3,480,829)</u>	<u>(3,480,829)</u>	<u>(3,480,829)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	29,901	29,901	29,901	-
Proceeds from debt	10,760,000	10,760,000	10,760,000	-
Transfer-in	-	-	-	-
Transfer-out	(704,595)	(704,595)	(704,595)	-
Total Other Financing Sources and Uses	<u>10,085,306</u>	<u>10,085,306</u>	<u>10,085,306</u>	<u>-</u>
Net Change in Fund Balance	<u>6,604,477</u>	<u>6,604,477</u>	<u>6,604,477</u>	<u>-</u>
Fund Balance - Beginning	<u>(837,898)</u>	<u>5,651,647</u>	<u>5,651,647</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 5,766,579</u>	<u>12,256,124</u>	<u>12,256,124</u>	<u>-</u>

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

MARSHALL COUNTY
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)
Road Maintenance Fund
For the Year Ended September 30, 2022

UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 6,646,634	6,646,634	6,646,634	-
Road and bridge privilege taxes	514,208	514,208	514,208	-
Licenses, commissions and other revenue	-	-	-	-
Intergovernmental revenues	2,247,625	2,247,625	2,247,625	-
Interest income	22,083	22,083	22,083	-
Miscellaneous revenues	30,650	30,650	30,650	-
Total Revenues	9,461,200	9,461,200	9,461,200	-
EXPENDITURES				
Public works	9,023,790	9,023,790	9,023,790	-
Debt service:				
Principal	51,780	51,780	51,780	-
Interest	7,431	7,431	7,431	-
Total Expenditures	9,083,001	9,083,001	9,083,001	-
Excess of Revenues over (under) Expenditures	378,199	378,199	378,199	-
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	138,288	138,288	138,288	-
Proceeds of debt	1,098,222	1,098,222	1,098,222	-
Transfers out	(500,000)	(500,000)	(500,000)	-
Total Other Financing Sources (Uses)	736,510	736,510	736,510	-
Net Change in Fund Balance	1,114,709	1,114,709	1,114,709	-
Fund Balance - Beginning	930,641	3,468,910	3,468,910	-
Fund Balance - Ending	\$ 2,045,350	4,583,619	4,583,619	-

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

MARSHALL COUNTY
Budgetary Comparison Schedule – Budget and Actual (Non-GAAP Basis)
ARPA Fund
For the Year Ended September 30, 2022

UNAUDITED

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Interest income	\$ -	14,081	14,081	-
Total Revenues	-	14,081	14,081	-
EXPENDITURES				
General government	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues over (under) Expenditures	-	14,081	14,081	-
OTHER FINANCING SOURCES (USES)				
Transfer-in	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balance	-	14,081	14,081	-
Fund Balance - Beginning	-	1,705	1,705	-
Fund Balance - Ending	\$ -	15,786	15,786	-

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

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

UNAUDITED

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Marshall County									
Proportion of the net pension liability (asset)	0.135964%	0.128525%	0.119859%	0.118148%	0.113575%	0.107956%	0.103580%	0.104444%	0.106381%
Proportionate share of the net pension liability (asset)	\$ 27,986,334	18,996,551	23,203,305	20,784,560	18,890,897	17,945,951	18,501,974	16,144,983	12,912,706
Covered payroll	\$ 9,360,207	8,545,584	7,981,122	7,694,687	7,251,815	6,925,414	6,626,219	6,525,083	6,500,406
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	298.99%	222.30%	290.73%	270.12%	260.50%	259.13%	279.22%	247.43%	198.64%
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%	58.98%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%
COMPONENT UNITS									
Marshall County Library System									
Proportion of the net pension liability (asset)	0.001704%	0.001706%	0.001730%	0.001642%	0.001451%	0.002000%	0.002000%	0.002000%	**
Proportionate share of the net pension liability (asset)	\$ 350,745	252,154	334,908	288,860	241,344	332,468	357,250	309,161	**
Covered payroll	\$ 113,203	110,083	116,278	109,220	103,009	99,170	113,224	103,492	**
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	309.84%	229.06%	288.02%	264.48%	234.29%	335.25%	315.52%	298.73%	**
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	**

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

** Information is unavailable for September 30, 2014 for the Marshall County Library System.

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

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

UNAUDITED

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Marshall County									
Contractually required contribution	\$ 1,674,739	1,503,855	1,402,363	1,269,941	1,151,402	1,107,293	1,050,218	1,036,636	1,010,587
Contributions in relation to the contractually required contribution	<u>1,674,739</u>	<u>1,503,855</u>	<u>1,402,363</u>	<u>1,269,941</u>	<u>1,151,402</u>	<u>1,107,293</u>	<u>1,050,218</u>	<u>1,036,636</u>	<u>1,010,587</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 9,624,933	8,642,839	8,059,543	7,854,577	7,310,465	7,029,412	6,668,038	6,581,806	6,416,418
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	16.17%	15.75%	15.75%	15.75%	15.75%	15.75%
COMPONENT UNITS									
Marshall County Library System									
Contractually required contribution	\$ 19,698	19,154	20,231	17,655	16,249	15,619	17,833	16,300	**
Contributions in relation to the contractually required contribution	<u>19,698</u>	<u>19,154</u>	<u>20,231</u>	<u>17,655</u>	<u>16,249</u>	<u>15,619</u>	<u>17,833</u>	<u>16,300</u>	<u>**</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>**</u>
Covered payroll	\$ 113,203	110,083	116,278	109,220	103,170	99,170	113,224	103,492	**
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	16.16%	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.

** Information is unavailable for September 30, 2014 for the Marshall County Library System.

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

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

UNAUDITED

COMPONENT UNIT

Marshall County Library System

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Proportion of the net OPEB liability	0.0056%	0.0037%	0.0054%	0.0054%	0.0054%
Proportionate share of the net OPEB liability	\$ 27,428	23,556	42,045	45,926	41,591
Covered-employee payroll	\$ 273,566	173,987	260,383	247,852	245,308
Proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	10.03%	13.54%	16.15%	18.53%	16.95%
Plan fiduciary net position as a percentage of the total OPEB liability	0.21%	0.16%	0.13%	0.12%	0.13%

* The amounts presented for each fiscal year were determined as of 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. 75 was implemented for the fiscal year ended September 30, 2018, 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.

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

UNAUDITED

COMPONENT UNIT

Marshall County Library System

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contributions	\$ 1,120	1,118	1,677	1,802	1,637
Contributions in relation to the actuarially determined contributions	<u>1,120</u>	<u>1,118</u>	<u>1,677</u>	<u>1,802</u>	<u>1,637</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered-employee payroll	\$ 273,566	173,987	260,383	243,692	238,156
Contributions as a percentage of covered-employee payroll	0.41%	0.64%	0.64%	0.74%	0.69%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 75 was implemented for the fiscal year ended September 30, 2018, and, until, a full 10 year trend is compiled, the County has only presented information for the years in which information is available. Prior year information is based on historical amounts reported in prior year audit reports.

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

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

BUDGETARY COMPARISON SCHEDULES

A. Budgetary Information.

Statutory requirements dictate how and when the County's budget is to be prepared. Generally, in the month of August, prior to the ensuing fiscal year beginning each October 1, the Board of Supervisors of the County, using historical and anticipated fiscal data and proposed budgets submitted by the Sheriff and the Tax Assessor and Collector for his or her respective department, prepares an original budget for each of the Governmental Funds for said fiscal year. The completed budget for the fiscal year includes for each fund every source of revenue, each general item of expenditure, and the unencumbered cash and investment balances. When during the fiscal year it appears to the Board of Supervisors that budgetary estimates will not be met, it may make revisions to the budget.

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

B. Basis of Presentation.

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

C. Budget/GAAP Reconciliation.

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

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

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

	Governmental Fund Types		
	General Fund	Road Maintenance Fund	ARPA Fund
Budget (Cash Basis)	\$ 6,604,477	1,114,709	14,081
Increase (Decrease)			
Net adjustments for revenue accruals	13,009	4,727	
Net adjustments for expenditure accruals	553,645	2,444	
GAAP Basis	<u>\$ 7,171,131</u>	<u>1,121,880</u>	<u>14,081</u>

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

PENSION SCHEDULES

A. Changes of assumptions.

2021

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2019

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

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

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

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

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

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

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

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

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%.

2017

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

The wage inflation assumptions were reduced from 3.75% to 3.25%

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

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

2016

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

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.

B. Changes in benefit provisions.

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

2016

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

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

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

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	27.7 years
Asset valuation method	5-year smoothed market
Price Inflation	2.75 percent
Salary increase	3.00 percent to 18.25 percent, including inflation
Investment rate of return	7.75 percent, net of pension plan investment expense, including inflation

OPEB Schedules

(1) Changes of assumptions

2017: The discount rate was changed from 3.01% for the prior Measurement Date to 3.56% for the current Measurement Date.

2018: The discount rate was changed from 3.56% for the prior Measurement Date to 3.89% for the current Measurement Date.

2019: The discount rate was changed from 3.89% for the prior Measurement Date to 3.50% for the current Measurement Date.

2020: The discount rate was changed from 3.50% for the prior Measurement Date to 2.19% for the current Measurement Date.

2021: The discount rate was changed from 2.19% for the prior Measurement Date to 2.13% for the current Measurement Date.

2022: The discount rate was changed from 2.13% for the prior Measurement Date to 3.37% for the current Measurement Date.

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

(2) Changes in benefit provisions

2017: None

2018: None

2019: None

2020: The schedule of monthly retiree contributions was increased as of January 1, 2021. In addition, the deductibles and coinsurance maximums were increased for the Select coverage and the coinsurance maximums were increased for the Base Coverage beginning January 1, 2021.

2021: The schedule of monthly retiree contributions was increased as of January 1, 2022. In addition, the in-network medical deductible was increased for the Select coverage beginning January 1, 2022.

2022: The schedule of monthly retiree contributions was increased as of January 1, 2023. In addition, the in-network medical deductible was increased for the Select coverage beginning January 1, 2023.

(3) Methods and assumptions used in calculations of Actuarially Determined Contributions. The Actuarially Determined Contributions rates, as a percentage of payroll, used to determine the Actuarially Determined Contribution amounts in the Schedule of Employer Contributions are calculated as of the most recent Valuation Date. The following actuarial methods and assumptions (from the June 30, 2021, actuarial valuation) were used to determine contribution rates reported in that schedule for the year ending June 30, 2022:

Actuarial cost method	Entry age
Amortization method	Level dollar
Amortization period	30 years, open
Asset valuation method	Market Value of Assets
Price inflation	2.75%
Salary increases, including wage inflation	3.00% to 18.25%
Initial health care cost trend rates	
Medicare Supplement Claims	6.50%
Pre-Medicare	
Ultimate health care cost trend rates	
Medicare Supplement Claims	4.75%
Pre-Medicare	
Year of ultimate trend rates	
Medicare Supplement Claims	2030
Pre-Medicare	
Long-term investment rate of return, net of OPEB plan investment expense, including price inflation	2.13%

MARSHALL COUNTY

OTHER INFORMATION

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

Name	Position	Surety Company	Amount
Charles Terry	Supervisor District 1	Travelers Casualty & Surety	\$ 100,000
Eddie Dixon	Supervisor District 2	Travelers Casualty & Surety	100,000
Keith Taylor	Supervisor District 3	Travelers Casualty & Surety	100,000
George Zinn, III	Supervisor District 4	Travelers Casualty & Surety	100,000
Ronnie Joe Bennett	Supervisor District 5	Travelers Casualty & Surety	100,000
C.W. "Chuck" Thomas	Chancery Clerk	Travelers Casualty & Surety	100,000
Timothy Powell	County Administrator	Travelers Casualty & Surety	100,000
Juanita Dillard	Tax Assessor	Travelers Casualty & Surety	100,000
John Dehart	Deputy Tax Assessor	Travelers Casualty & Surety	10,000
Casey Hillmer	Deputy Tax Assessor	Travelers Casualty & Surety	10,000
Kelvin Dowdy	Deputy Tax Assessor	Travelers Casualty & Surety	10,000
Perry Smith	Deputy Tax Assessor	Travelers Casualty & Surety	10,000
Joyce Brown	Deputy Tax Assessor	Travelers Casualty & Surety	10,000
Susan Campbell	Deputy Tax Assessor	Travelers Casualty & Surety	10,000
Betty Byrd	Tax Collector	Travelers Casualty & Surety	100,000
Rosalyn DeBerry	Deputy Tax Collector	Travelers Casualty & Surety	50,000
June Wilson	Deputy Tax Collector	Travelers Casualty & Surety	50,000
Verneda Taylor	Deputy Tax Collector	Travelers Casualty & Surety	50,000
Cameron Rhea	Deputy Tax Collector	Travelers Casualty & Surety	50,000
Nadine Long	Deputy Tax Collector	Travelers Casualty & Surety	50,000
Sybrennia DeBerry	Deputy Tax Collector	Travelers Casualty & Surety	50,000
Jan Pipkin	Deputy Tax Collector	Travelers Casualty & Surety	50,000
Melanie Alexander	Deputy Tax Collector	Travelers Casualty & Surety	50,000
Heather Shaw	Deputy Tax Collector	Travelers Casualty & Surety	50,000
Kayla Jarrett	Deputy Tax Collector	Travelers Casualty & Surety	50,000
Christine Lesueur	Deputy Tax Collector	Travelers Casualty & Surety	50,000
Monet Bell Autry	Circuit Clerk	Travelers Casualty & Surety	100,000
Ora Hubbard	Deputy Circuit Clerk	Travelers Casualty & Surety	50,000
Rebecca Calhoun	Deputy Circuit Clerk	Travelers Casualty & Surety	50,000
Katrina Washington	Deputy Circuit Clerk	Travelers Casualty & Surety	50,000
Kenneth Dickerson	Sheriff	Travelers Casualty & Surety	100,000
Renea Childress	Purchase Clerk	Travelers Casualty & Surety	100,000
Donna Cooper	Assistant Purchase Clerk	Travelers Casualty & Surety	50,000
Terica Wicks	Receiving Clerk	Travelers Casualty & Surety	75,000
Randy Edwards	Assistant Receiving Clerk	Travelers Casualty & Surety	50,000
Glen Skelton	Assistant Receiving Clerk	Travelers Casualty & Surety	50,000
Yolanda Jones	Assistant Receiving Clerk	Travelers Casualty & Surety	50,000
Donna Cooper	Inventory Control Clerk	Travelers Casualty & Surety	75,000
Mario Jeffries	Road Manager	Travelers Casualty & Surety	50,000
Michael Perkins	Constable	Travelers Casualty & Surety	50,000
Faldo Marion	Constable	Travelers Casualty & Surety	50,000
Flora Mae Garrison	Justice Court Judge	Travelers Casualty & Surety	100,000
Cathy Brittenum	Justice Court Judge	Travelers Casualty & Surety	100,000
Heather Childress	Justice Court Clerk	Travelers Casualty & Surety	50,000
Deborah Crain	Deputy Justice Court Clerk	Travelers Casualty & Surety	50,000
Molly Ann McLarty	Deputy Justice Court Clerk	Travelers Casualty & Surety	50,000
Penny Culver	Deputy Justice Court Clerk	Travelers Casualty & Surety	50,000
Veronica Walker	Deputy Justice Court Clerk	Travelers Casualty & Surety	50,000
Sandy Buford	Deputy Justice Court Clerk	Travelers Casualty & Surety	50,000
Tina Lester	Deputy Justice Court Clerk	Travelers Casualty & Surety	50,000

MARSHALL 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
Marshall 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, the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Marshall 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 September 5, 2023. Our report includes a reference to other auditors who audited the financial statements of the Marshall County Library System, as described in our report on Marshall County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting and on compliance and other matters that are reported separately by those auditors.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Marshall 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 which we have reported to the management of Marshall County, Mississippi, in the Limited Internal Control and Compliance Review Management Report dated September 5, 2023, 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 result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record, and its distribution is not limited.

Bridgers, Goodman, Baird & Clarke, PLLC

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

September 5, 2023

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

Members of the Board of Supervisors
Marshall County, Mississippi

We have examined Marshall County, Mississippi's (the County) compliance with establishing and maintaining a central purchasing system and inventory control system in accordance with Section 31-7-101 through 31-7-127, Miss. Code Ann. (1972) and compliance with the purchasing requirements in accordance with the bid requirements of Section 31-7-13, Miss. Code Ann. (1972) during the year ended September 30, 2022. The Board of Supervisors of Marshall 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 Marshall 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, Marshall County, Mississippi, complied, in all material respects, with state laws governing central purchasing, inventory and bid requirements for the year ended September 30, 2022.

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

This report is intended for use in evaluating Marshall 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

September 5, 2023

MARSHALL COUNTY

Schedule 1

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

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

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

Schedule 2

Our tests did not identify any emergency purchases.

MARSHALL COUNTY**Schedule 3****Schedule of Purchases Made Noncompetitively from a Sole Source****For the Year Ended September 30, 2022**

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
1/27/2022	Luminex II Machine	\$ 5,571	Stenograph

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LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors
Marshall County, Mississippi

In planning and performing our audit of the financial statements of Marshall County, Mississippi for the year ended September 30, 2022, we considered Marshall 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 Marshall 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 September 5, 2023, on the financial statements of Marshall County, Mississippi.

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

The results of our review procedures and compliance tests identified certain areas of 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:

Circuit Clerk

1. Circuit Clerk Should Strengthen Internal Controls over Reconciling Bank Accounts.

Repeat Finding Yes; 2021, 2020, 2019

Criteria	An effective system of internal controls requires the bank reconciliations be prepared accurately and timely and any identified unreconciled differences be resolved in a timely manner.
Condition	During the course of our test work, we noted that bank reconciliations were not being completed accurately for the clerk's criminal, civil, and fee accounts.
Cause	The Circuit Clerk has not established a system of internal control to ensure cash accounts are accurately and timely reconciled.
Effect	Not performing accurate and timely bank reconciliations creates a weakness in the system of internal controls over cash and may result in the loss or misappropriation of county assets.
Recommendation	The Circuit Clerk should implement an effective internal control system to increase the accuracy in accounting for receipts and disbursements and to ensure that all bank accounts are reconciled monthly in an accurate and timely manner.
Response	The Circuit Clerk has implemented timely bank reconciliations for all cash accounts to ensure cash accounts are accurately and timely reconciled.

Sheriff

2. The Sheriff Should Strengthen Internal Control over Settlements.

Repeat Finding	Yes; 2021
Criteria	An effective system of internal control includes the timely completion of monthly settlements to the County's general fund.
Condition	During the course of our test work, we noted two (2) instances where the sheriff's office did not timely settle funds to the County's general fund by the twentieth (20 th) of the subsequent month.
Cause	The sheriff's office did not make settlements to the County's general fund by the twentieth (20 th) of the subsequent month.
Effect	Failure to make timely settlements could result in the misappropriation of public funds.
Recommendation	The Sheriff should strengthen controls over the settling of funds to the County's general fund to ensure that the settlements are made on or before the twentieth (20 th) of the subsequent month.
Response	We will comply with the recommendations provided by the auditor.

3. The Sheriff Should Ensure Compliance with State Laws over the Maintenance of Meal Logs.

Repeat Finding No

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 We were unable to complete certain procedures due to the inability to locate or obtain all relevant supporting documentation to show the meals served during the period under audit.

Cause The meal logs were not maintained and made available for the audit.

Effect Failure to properly maintain the meal logs could result in the misappropriation of public funds for the incorrect number of meals.

Recommendation The meal logs should be maintained and kept on hand for audit purposes.

Response We will comply with the recommendations provided by the auditor.

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

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

Bridgers, Goodman, Baird & Clarke, PLLC

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

September 5, 2023

MARSHALL COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

MARSHALL 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: | |
| Governmental activities | Unmodified |
| Aggregate discretely presented component units | Unmodified |
| General Fund | Unmodified |
| ARPA Fund | Unmodified |
| Road Maintenance Fund | Unmodified |
| Aggregate remaining fund information | Unmodified |
| 2. Internal control over financial reporting: | |
| a. Material weakness identified? | No |
| b. Significant deficiency 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*.