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# **MONROE COUNTY, MISSISSIPPI**

Audited Financial Statements

And

Special Reports

For the Year Ended September 30, 2022

MONROE COUNTY  
TABLE OF CONTENTS

FINANCIAL SECTION.....	1
INDEPENDENT AUDITORS' REPORT .....	2
FINANCIAL STATEMENTS.....	5
Statement of Net Position.....	6
Statement of Activities .....	8
Balance Sheet - Governmental Funds .....	10
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position .....	12
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds .....	13
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	15
Statement of Net Position - Proprietary Funds .....	17
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds .....	19
Statement of Cash Flows - Proprietary Funds .....	20
Statement of Fiduciary Net Position.....	22
Statement of Changes in Fiduciary Net Position .....	23
Notes to Financial Statements .....	24
REQUIRED SUPPLEMENTARY INFORMATION .....	50
Budgetary Comparison Schedule - Budget and Actual (Non-GAAP Basis) General Fund.....	51
Countywide Road Maintenance Fund .....	52
American Rescue Plan Act.....	53
Road Construction 2022.....	54
Schedule of the County's Proportionate Share of the Net Pension Liability - PERS.....	55
Schedule of the County's Contributions - PERS .....	57
Notes to the Required Supplementary Information .....	58
OTHER INFORMATION .....	62
Schedule of Surety Bonds for County Officials .....	63
SPECIAL REPORTS .....	65
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> .....	66
Independent Accountants' Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules (Required By Section 31-7-115, Miss. Code Ann. (1972)).....	68
Limited Internal Control and Compliance Review Management Report .....	73
SCHEDULE OF FINDINGS AND RESPONSES .....	75

MONROE COUNTY

FINANCIAL SECTION

# Windham and Lacey, PLLC

## *Certified Public Accountants*

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### INDEPENDENT AUDITORS' REPORT

Members of the Board of Supervisors  
Monroe County, Mississippi

#### **Report on the Audit of the Financial Statements**

##### ***Opinions***

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

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

##### ***Basis for Opinions***

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

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

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

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

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

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

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

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

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

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

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

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

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

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2023 on our consideration of Monroe 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 Monroe 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 Monroe County, Mississippi's internal control over financial reporting and compliance.



Windham and Lacey, PLLC  
February 24, 2023

MONROE COUNTY

FINANCIAL STATEMENTS



MONROE COUNTY  
Statement of Net Position  
September 30, 2022

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash	\$ 37,319,315	1,741,613	39,060,928
Investments	8,660,558		8,660,558
Accrued interest receivable	8,966		8,966
Property tax receivable	13,429,869	157,000	13,586,869
Accounts receivable (net of allowance for uncollectibles of \$605,688)		535,018	535,018
Fines receivable (net of allowance for uncollectibles of \$2,081,045)	400,017		400,017
Leases receivable	802,379		802,379
Financed sales	30,781		30,781
Intergovernmental receivables	389,833		389,833
Other receivables	8,846		8,846
Internal balances	(2,577)	2,577	
Capital assets:			
Land and construction in progress	4,648,867	186,111	4,834,978
Other capital assets, net	53,828,589	1,430,889	55,259,478
Total Assets	<u>119,525,443</u>	<u>4,053,208</u>	<u>123,578,651</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to pensions	3,075,308	309,182	3,384,490
Total Deferred Outflows of Resources	<u>3,075,308</u>	<u>309,182</u>	<u>3,384,490</u>
<b>LIABILITIES</b>			
Claims payable	1,141,781	178,937	1,320,718
Intergovernmental payables	617,889		617,889
Accrued interest payable	64,167		64,167
Fees paid in advance		163,359	163,359
Amounts held in custody for others	63,892		63,892
Claims and judgments payable	152,714		152,714
Compensated absences	658,457	48,044	706,501
Long-term liabilities			
Due within one year:			
Capital debt	1,762,076	76,749	1,838,825
Due in more than one year:			
Capital debt	10,034,094	206,147	10,240,241
Net pension liability	22,348,887	1,864,881	24,213,768
Total Liabilities	<u>36,843,957</u>	<u>2,538,117</u>	<u>39,382,074</u>

(Continued)

MONROE COUNTY  
Statement of Net Position  
September 30, 2022

Exhibit 1

	Primary Government		
	Governmental Activities	Business-type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Unearned interest on financed sales	2,735		2,735
Deferred inflows related to leases	816,105		816,105
Property tax for future reporting period	13,429,869	157,000	13,586,869
Total Deferred Inflows of Resources	14,248,709	157,000	14,405,709
NET POSITION			
Net investment in capital assets	56,339,844	1,334,104	57,673,948
Restricted for:			
Expendable:			
General government	3,713,382		3,713,382
Debt service	800,333		800,333
Public safety	1,166,994		1,166,994
Public works	14,195,743	333,169	14,528,912
Health and welfare	928,510		928,510
Economic development	3,435,869		3,435,869
Culture and recreation	106,217		106,217
Unemployment compensation	31,247		31,247
Medical claims	995,665		995,665
Unrestricted	(10,205,719)		(10,205,719)
Total Net Position	\$ 71,508,085	1,667,273	73,175,358

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

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

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental Activities:							
General government	\$ 6,956,390	2,604,453	145,763		(4,206,174)		(4,206,174)
Public safety	6,677,383	809,566	803,869		(5,063,948)		(5,063,948)
Public works	8,200,483	177,992	970,690	5,641,236	(1,410,565)		(1,410,565)
Health and welfare	335,414		153,064		(182,350)		(182,350)
Culture and recreation	231,108		37,500		(193,608)		(193,608)
Conservation of natural resources	190,887				(190,887)		(190,887)
Economic development and assistance	218,055				(218,055)		(218,055)
Interest on long-term debt	127,281				(127,281)		(127,281)
Pension expense	2,309,355				(2,309,355)		(2,309,355)
Total Governmental Activities	<u>25,246,356</u>	<u>3,592,011</u>	<u>2,110,886</u>	<u>5,641,236</u>	<u>(13,902,223)</u>	<u>0</u>	<u>(13,902,223)</u>
Business-type Activities:							
Solid waste	<u>3,101,290</u>	<u>2,557,022</u>	<u>163,988</u>	<u>0</u>	<u>0</u>	<u>(380,280)</u>	<u>(380,280)</u>
Total Primary Government	<u>\$ 28,347,646</u>	<u>6,149,033</u>	<u>2,274,874</u>	<u>5,641,236</u>	<u>(13,902,223)</u>	<u>(380,280)</u>	<u>(14,282,503)</u>

(Continued)

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

Exhibit 2

	<u>Net (Expense) Revenue and Changes in Net Position</u>		
	<u>Primary Government</u>		
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
General revenues, other payments and dispositions:			
Property taxes	\$ 15,914,396	194,428	16,108,824
Road & bridge privilege taxes	451,281		451,281
Grants and contributions not restricted to specific programs	1,084,948		1,084,948
Unrestricted interest income	29,131	985	30,116
Miscellaneous	504,248	36,713	540,961
Total general revenues, capital contributions and transfers	<u>17,984,004</u>	<u>232,126</u>	<u>18,216,130</u>
Changes in Net Position	4,081,781	(148,154)	3,933,627
Net Position - Beginning	<u>67,426,304</u>	<u>1,815,427</u>	<u>69,241,731</u>
Net Position - Ending	<u>\$ 71,508,085</u>	<u>1,667,273</u>	<u>73,175,358</u>

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

MONROE COUNTY  
Balance Sheet - Governmental Funds  
September 30, 2022

Exhibit 3

	<u>Major Funds</u>					
	<u>General Fund</u>	<u>Countywide Road Maintenance Fund</u>	<u>American Rescue Plan Act</u>	<u>Road Construction 2022</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash	\$ 12,205,966	5,762,677	6,821,640	998,000	10,374,596	36,162,879
Investments				8,660,558		8,660,558
Accrued interest receivable	4,599	740			3,627	8,966
Property tax receivable	7,912,946	4,444,758			1,072,165	13,429,869
Fines receivable (net of allowance for uncollectibles of \$2,081,045)	400,017					400,017
Lease receivable	61,658				740,721	802,379
Financed sale					30,781	30,781
Intergovernmental receivables	342,750	22,931			24,152	389,833
Other receivables	3,042				5,804	8,846
Due from other funds		103,188			21,750	124,938
Advances to other funds	103,904					103,904
<b>Total Assets</b>	<b>\$ 21,034,882</b>	<b>10,334,294</b>	<b>6,821,640</b>	<b>9,658,558</b>	<b>12,273,596</b>	<b>60,122,970</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Claims payable	\$ 740,360	167,233	189,948		44,240	1,141,781
Intergovernmental payables	586,611					586,611
Amounts held in custody for others	63,892					63,892
Due to other funds	158,793					158,793
Advances from other funds		95,847				95,847
<b>Total Liabilities</b>	<b>1,549,656</b>	<b>263,080</b>	<b>189,948</b>	<b>0</b>	<b>44,240</b>	<b>2,046,924</b>
<b>Deferred Inflows of Resources:</b>						
Property tax for future reporting period	7,912,946	4,444,758			1,072,165	13,429,869
Unavailable revenue - fines	400,017					400,017
Unavailable revenue - leases	62,700				753,405	816,105
Unavailable revenue - financed sales					30,781	30,781
<b>Total Deferred Inflows of Resources</b>	<b>8,375,663</b>	<b>4,444,758</b>	<b>0</b>	<b>0</b>	<b>1,856,351</b>	<b>14,676,772</b>

(Continued)

MONROE COUNTY  
Balance Sheet - Governmental Funds  
September 30, 2022

Exhibit 3

	<u>Major Funds</u>					
	General	Countywide Road Maintenance Fund	American Rescue Plan Act	Road Construction 2022	Other Governmental Funds	Total Governmental Funds
	Fund	Fund	Plan Act	2022	Funds	Funds
Fund Balances:						
Nonspendable:						
Advances	103,904					103,904
Restricted for:						
General government	1,779,137				1,934,245	3,713,382
Public safety					1,166,994	1,166,994
Public works		5,626,456	6,631,692	9,658,558	1,937,595	23,854,301
Health and welfare					928,510	928,510
Culture and recreation					106,217	106,217
Economic development and assistance					3,403,697	3,403,697
Debt service					864,500	864,500
Unemployment compensation					31,247	31,247
Unassigned	9,226,522					9,226,522
Total Fund Balances	<u>11,109,563</u>	<u>5,626,456</u>	<u>6,631,692</u>	<u>9,658,558</u>	<u>10,373,005</u>	<u>43,399,274</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ <u>21,034,882</u>	<u>10,334,294</u>	<u>6,821,640</u>	<u>9,658,558</u>	<u>12,273,596</u>	<u>60,122,970</u>

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

## MONROE COUNTY

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

	<u>Amount</u>
Total Fund Balance - Governmental Funds	\$ 43,399,274
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets are used in governmental activities and are not financial resources and, therefore, are not reported in the funds, net of accumulated depreciation of \$96,485,552.	58,477,456
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.	400,017
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	(12,454,627)
Accrued interest payable is not due and payable in the current period and, therefore, is not reported in the funds.	(64,167)
Financed sales are not available to pay for current period expenditures and, therefore, are deferred in the funds.	28,046
Pension Obligations	
Pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	
Net pension liability	(22,348,887)
Deferred inflows/outflows of resources related to pension obligations are applicable to future periods and, therefore, are not reported in the funds.	
Deferred outflows of resources related to pension obligations	3,075,308
Internal Service Funds are used by management to charge the costs of insurance to individual funds. The assets and liabilities of the Internal Service Funds are included in governmental activities in the Statement of Net Position.	<u>995,665</u>
Total Net Position - Governmental Activities	\$ <u><u>71,508,085</u></u>

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

## MONROE COUNTY

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

	Major Funds					Total Governmental Funds
	General Fund	Countywide Road Maintenance Fund	American Rescue Plan Act	Road Construction 2022	Other Governmental Funds	
REVENUES						
Property taxes	\$ 9,752,943	4,904,219			1,257,234	15,914,396
Road and bridge privilege taxes		451,281				451,281
Licenses, commissions and other revenue	558,989				36,861	595,850
Fines and forfeitures	442,110				26,834	468,944
Intergovernmental revenues	1,823,188	2,289,723	3,423,644		1,300,515	8,837,070
Charges for services	342,528				537,281	879,809
Interest income	15,160	3,928	1,080	1,458	7,505	29,131
Miscellaneous revenues	307,680	24,412			85,792	417,884
Total Revenues	<u>13,242,598</u>	<u>7,673,563</u>	<u>3,424,724</u>	<u>1,458</u>	<u>3,252,022</u>	<u>27,594,365</u>
EXPENDITURES						
Current:						
General government	5,415,823				218,694	5,634,517
Public safety	5,512,637				2,030,609	7,543,246
Public works	146,070	6,774,349	216,913		717,948	7,855,280
Health and welfare	205,626				13,145	218,771
Culture and recreation	147,500				49,108	196,608
Conservation of natural resources	148,937					148,937
Economic development and assistance	249,024				19,436	268,460
Debt service:						
Principal	253,017	111,131			560,438	924,586
Interest	16,079	18,612			26,178	60,869
Bond issue costs				342,900	3,880	346,780
Total Expenditures	<u>12,094,713</u>	<u>6,904,092</u>	<u>216,913</u>	<u>342,900</u>	<u>3,639,436</u>	<u>23,198,054</u>
Excess of Revenues Over (Under) Expenditures	<u>1,147,885</u>	<u>769,471</u>	<u>3,207,811</u>	<u>(341,442)</u>	<u>(387,414)</u>	<u>4,396,311</u>

(Continued)



## MONROE COUNTY

Exhibit 4

## Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

For the Year Ended September 30, 2022

	<u>Major Funds</u>					
		Countywide			Other	Total
	General	Road	American	Road	Governmental	Governmental
	Fund	Maintenance	Rescue	Construction	Funds	Funds
		Fund	Plan Act	2022		
OTHER FINANCING SOURCES (USES)						
Long-term capital debt issued				10,000,000	997,880	10,997,880
Proceeds from sale of capital assets	72,983	62,760			19,000	154,743
Transfers in					479,367	479,367
Transfers out	(400,000)				(79,367)	(479,367)
Financed sales principal payments					4,126	4,126
Total Other Financing Sources and Uses	<u>(327,017)</u>	<u>62,760</u>	<u>0</u>	<u>10,000,000</u>	<u>1,421,006</u>	<u>11,156,749</u>
Net Changes in Fund Balances	820,868	832,231	3,207,811	9,658,558	1,033,592	15,553,060
Fund Balances - Beginning	<u>10,288,695</u>	<u>4,794,225</u>	<u>3,423,881</u>	<u>0</u>	<u>9,339,413</u>	<u>27,846,214</u>
Fund Balances - Ending	<u>\$ 11,109,563</u>	<u>5,626,456</u>	<u>6,631,692</u>	<u>9,658,558</u>	<u>10,373,005</u>	<u>43,399,274</u>

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

MONROE COUNTY  
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

Exhibit 4-1

	<u>Amount</u>
Net Changes in Fund Balances - Governmental Funds	\$ 15,553,060
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 expenditures of \$1,809,230 exceeded depreciation of \$1,801,752 in the current period.	7,478
In the Statement of Activities, only gains and losses from the sale of capital assets are reported, whereas in the Governmental Funds, proceeds from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the amount of the sale of capital assets of \$154,743 and the net loss on the disposal of capital assets of \$242,623.	(87,889)
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.	125,753
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 the of debt incurred of \$11,168,738 debt repayments of \$924,586, and amortization of bond discounts and premiums of \$1,113.	(10,245,265)
Under the modified accrual basis of accounting used in the Governmental Funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. However, in the Statement of Activities, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is recognized under the modified accrual basis of accounting when due, rather than as it accrues. Thus, the change in net position differs from the change in fund balances by a combination of the following items:	
The increase in compensated absences	(46,271)
The increase in accrued interest payable	(62,349)
The decrease in refunding charges on long-term debt	(2,950)

(Continued)

MONROE 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>
Items reported in the statement 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	(2,309,355)
Recognition of contributions made subsequent to the measurement date	333,142
Recognition of contributions made in the fiscal year prior to measurement date	980,173
 In the Statement of Activities, only interest income from payments received on financed sales are reported, whereas in the governmental funds, both principal and interest payments received increase financial resources. Thus, the change in net position differs from change in fund balances by the principal collections on the financed sales.	 (4,126)
 An Internal Service Fund is used by management to charge the cost of insurance to individual funds. The net revenue (expense) is reported within governmental activities.	 (159,620)
 Change in Net Position of Governmental Activities	 \$ <u><u>4,081,781</u></u>

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

MONROE COUNTY  
Statement of Net Position - Proprietary Funds  
September 30, 2022

Exhibit 5

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Fund
	Solid Waste Fund	Insurance Fund
<b>ASSETS</b>		
Current Assets:		
Cash	\$ 1,741,613	1,156,436
Property tax receivable	157,000	
Accounts receivable (net of allowance for uncollectibles of \$605,688)	535,018	
Due from other funds	2,577	
Advances to other funds		95,847
Total Current Assets	2,436,208	1,252,283
Noncurrent Assets:		
Capital Assets:		
Land and construction in progress	186,111	
Other capital assets, net	1,430,889	
Total Noncurrent Assets	1,617,000	0
Total Assets	4,053,208	1,252,283
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows related to pensions	309,182	
Total Deferred Outflows of Resources	309,182	0
<b>LIABILITIES</b>		
Current Liabilities:		
Claims payable	178,937	
Claims and judgements payable		152,714
Advances from other funds		103,904
Fees paid in advance	163,359	
Compensated absences	48,044	
Capital debt:		
Equipment loans payable	76,749	
Total Current Liabilities	467,089	256,618
<b>NONCURRENT LIABILITIES:</b>		
Capital debt:		
Equipment loans payable	206,147	
Net pension liability	1,864,881	
Total Noncurrent Liabilities	2,071,028	0
Total Liabilities	2,538,117	256,618

(Continued)

MONROE COUNTY  
Statement of Net Position - Proprietary Funds  
September 30, 2022

Exhibit 5

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Fund
	Solid Waste Fund	Insurance Fund
DEFERRED INFLOWS OF RESOURCES		
Property tax for future reporting period	157,000	
Total Deferred Inflows of Resources	157,000	0
NET POSITION		
Net investment in capital assets	1,334,104	
Restricted for:		
Medical claims		995,665
Public works	333,169	
Total Net Position	\$ 1,667,273	995,665

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

## MONROE COUNTY

Exhibit 6Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds  
For the Year Ended September 30, 2022

	Business-type Activities	Governmental Activities
	Enterprise Fund	Internal Service Fund
	Solid Waste Fund	Insurance Fund
OPERATING REVENUES		
Charges for services	\$ 2,557,022	
Other revenue		953
Premiums		1,540,163
Total Operating Revenues	2,557,022	1,541,116
OPERATING EXPENSES		
Personal services	881,891	
Contractual services	1,015,966	
Materials and supplies	649,965	
Depreciation expense	324,069	
Pension expense	207,217	
Indirect administrative cost	19,141	
Claims payments		1,076,676
Administrative		378,060
Insurance premiums		246,000
Total Operating Expenses	3,098,249	1,700,736
Operating Income (Loss)	(541,227)	(159,620)
NONOPERATING REVENUES (EXPENSES)		
Property tax	194,428	
Interest income	985	
Intergovernmental grants	163,988	
Sale of capital assets	36,713	
Interest expense	(3,041)	
Net Nonoperating Revenue (Expenses)	393,073	0
Net Income (Loss)	(148,154)	(159,620)
Changes in Net Position	(148,154)	(159,620)
Net Position -Beginning	1,815,427	1,155,285
Net Position - Ending	\$ 1,667,273	995,665

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

MONROE COUNTY  
Statement of Cash Flows - Proprietary Funds  
For the Year Ended September 30, 2022

Exhibit 7

	Business-type Activities	Governmental Activities
	Enterprise Funds	Internal Service Fund
	Solid Waste Fund	Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 2,527,717	
Receipts for premiums		1,540,164
Payments to suppliers	(1,563,417)	
Payments to employees	(1,003,269)	
Payments for claims		(1,028,496)
Payments to administrator for services		(375,485)
Payments for insurance premiums		(228,553)
Other cash receipts		952
Payments to General Fund for indirect costs	(19,141)	
Net Cash Provided (Used) by Operating Activities	(58,110)	(91,418)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Intergovernmental grants received	163,988	
Cash received from property taxes	194,650	
Net Cash Provided (Used) by Noncapital Financing Activities	358,638	0
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Sales of assets	43,131	
Acquisition and construction of capital assets	(750,538)	
Long-term debt incurred	313,869	
Principal paid on long-term debt	(31,611)	
Interest paid on debt	(3,041)	
Net Cash Provided (Used) by Capital and Related Financing Activities	(428,190)	0
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on deposits	985	
Net Cash Provided (Used) by Investing Activities	985	0
Net Increase (Decrease) in Cash and Cash Equivalents	(126,677)	(91,418)
Cash and Cash Equivalents at Beginning of Year	1,868,290	1,247,854
Cash and Cash Equivalents at End of Year	\$ 1,741,613	1,156,436

(Continued)

MONROE COUNTY  
Statement of Cash Flows - Proprietary Funds  
For the Year Ended September 30, 2022

Exhibit 7

	Business-type Activities	Governmental Activities
	Enterprise Funds	Internal Service Fund
	Solid Waste Fund	Insurance Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ (541,227)	(159,620)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	324,069	
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	(25,353)	
(Increase) decrease in deferred outflows of resources	(122,816)	
Increase (decrease) in deferred inflows of resources	(353,364)	
Increase (decrease) in claims payable	102,514	
Increase (decrease) in pension liability	566,407	
Increase (decrease) in claims and judgments liability		68,202
Increase (decrease) in compensated absences liability	(4,388)	
Increase (decrease) in fees paid in advance	(3,952)	
Total Adjustments	483,117	68,202
Net Cash Provided (Used) by Operating Activities	\$ (58,110)	(91,418)

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



MONROE COUNTY  
Statement of Fiduciary Net Position  
Fiduciary Funds  
September 30, 2022

Exhibit 8

	<u>Custodial Funds</u>
ASSETS	
Cash and investments	\$ 8
Due from other funds	<u>31,278</u>
Total Assets	\$ <u><u>31,286</u></u>
LIABILITIES	
Intergovernmental payables	\$ <u>31,286</u>
Total Liabilities	\$ <u><u>31,286</u></u>
NET POSITION	
Restricted for:	
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.

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

Exhibit 9

	<u>Custodial Funds</u>
ADDITIONS	
Assessments on fines for other governments	\$ 719,673
Tax collections for other governments	<u>2,113,950</u>
Total Additions	<u>2,833,623</u>
DEDUCTIONS	
Payments of assessments on fines to other governments	719,673
Payments of tax collections to other government	<u>2,113,950</u>
Total Deductions	<u>2,833,623</u>
Net Change in Fiduciary Net Position	0
Net Position - Beginning	<u>0</u>
Net Position - Ending	<u><u>\$ 0</u></u>

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

## MONROE COUNTY

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

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

##### A. Basis of Presentation.

The accompanying financial statements of Monroe County have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for governmental accounting and financial reporting principles.

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.

##### B. Financial Reporting Entity.

Monroe County, Mississippi, (the County) is a political subdivision of the State of Mississippi, governed by an elected five-member Board of Supervisors. For GAAP financial reporting purposes, the County's reporting entity includes all funds of the County's various departments and elected officials (the primary government). Management has considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the County are such that exclusion would cause the County's financial statements to be misleading or incomplete.

GASB has set forth criteria to be considered in determining financial accountability. These criteria include the following considerations: 1) appointment of a voting majority of an organization's governing authority and the ability of the primary government to either impose its will on that organization or the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, or 2) an organization is fiscally dependent on the primary government and there is potential for the organization to provide specific financial benefits or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board.

There are no outside organizations that should be included as component units of the County's reporting entity.

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

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

## MONROE COUNTY

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

#### C. Government-wide and Fund Financial Statements.

Government-wide Financial Statements - The Statement of Net Position and Statement of Activities report information on all nonfiduciary activities of the County. The primary government is further subdivided between governmental and business-type activities. Governmental activities are generally financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The Statement of Net Position reports all of the County's nonfiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources as of September 30, 2022, with the difference reported as net position.

The Statement of Activities demonstrates the degree to which direct expenses of a given function are offset by program revenues. Direct expenses are those that are specifically associated with a service, program, or department and thus, are clearly identifiable to a particular function. Certain indirect costs have been included as part of the program expenses reported for the various functions and activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. General revenues include taxes and any sources of revenue that are not reported as program revenues.

Fund Financial Statements - Separate financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter is excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the applicable fund financial statements. Nonmajor funds are aggregated and presented in a single column.

#### D. Measurement Focus, Basis of Accounting and Financial Statement Presentation.

The Government-wide, Proprietary Funds and Fiduciary Funds financial statements are presented using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. 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 and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Governmental fund financial statements are presented using a current financial resources measurement focus and the modified accrual basis of accounting. Current assets, deferred outflows of resources, current liabilities and deferred inflows of resources are included on the balance sheet. Revenues are recognized when measurable and available to finance operations of the current fiscal year. Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current year or soon enough after fiscal year-end to liquidate liabilities existing at the end of the fiscal year. The County considers revenues received within 60 days after fiscal year-end as available. Significant revenue sources that are susceptible to accrual include property taxes, state appropriations, and federal awards. Licenses, fees, permits and other miscellaneous revenues are recognized when received since they normally are measurable only at that time. Expenditures for goods and services are recognized upon receipt of said goods and services. Expenditures for debt service, compensated absences, and claims and judgments are recognized only when payment is due.

## MONROE COUNTY

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

The County reports the following major governmental funds:

The General Fund accounts for all activities of the County not specifically required to be accounted for in other funds. Transactions are related to general government, justice, public safety, public works, health and social services, culture and recreation, and economic development.

The Countywide Road Maintenance Fund accounts for the maintenance and preservation of local roads financed with various revenue sources restricted for this purpose.

The American Rescue Plan Act Fund accounts for money received from the federal government to address issues resulting from COVID 19.

The Road Construction 2022 Fund accounts for the proceeds of a bond issue to be used to repair and construct roads and bridges.

The County reports the following major Proprietary Funds:

The Insurance Fund accounts for activities related to the County's self-insurance programs for employee medical benefits.

The Solid Waste Fund accounts for the County's activities of disposal of solid waste within the County.

Additionally, the County reports the following fund types:

#### GOVERNMENTAL FUND TYPES

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. Special Revenue Funds account for, among others, certain federal grant programs, taxes levied with statutorily defined distributions and other resources restricted as to purpose.

Debt Service Funds account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital Projects Funds account for resources that are to be used for the acquisition or construction of major capital facilities. Such resources are derived principally from proceeds of long-term debt and federal and state grants.

#### PROPRIETARY FUND TYPES

Enterprise Funds account for operations where the intent of the County is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where periodic measurement of the results of operations is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds account for the operations of County departments that render services and/or provide goods to other County departments on a cost-reimbursement basis. These activities include personnel services, information technology and risk management. In the government-wide financial statements, Internal Service Funds are included in the governmental activities.

## MONROE COUNTY

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

#### FIDUCIARY FUND TYPE

Custodial Funds are used to report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. These funds account for receipt of various taxes, deposits and other monies collected or held by the County, in a purely custodial capacity, until distributed to other governmental units or designated beneficiaries.

##### E. Cash and Cash Equivalents.

Cash and cash equivalents include bank accounts, petty cash, money market demand accounts and money market mutual funds.

##### F. Investments.

Investments are U. S. Treasuries and money market securities held for the County in a trustee account.

##### G. Receivables.

Receivables represent amounts due to the County for revenue earned that will be collected sometime in the future. Receivables are reported net of allowances for uncollectible accounts where applicable.

##### H. Interfund Activity.

In general, eliminations have been made to minimize the double-counting of internal activity, including Internal Service Fund activity, on the government-wide financial statements. Excess revenues or expenses from the Internal Service Funds have been allocated to the appropriate function originally charged for the internal sale as part of this process. However, interfund services, provided and used between different functional categories, have not been eliminated in order to avoid distorting the direct costs and program revenues of the applicable functions. Transfers between governmental and business-type activities are reported at the net amount on the government-wide financial statements.

In the fund financial statements, transactions for services rendered by one fund to another are treated as revenues of the recipient fund and expenditures/expenses of the disbursing fund. Reimbursements of expenditures/expenses made by one fund to another are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the reimbursed fund. Transfers represent flows of assets between funds of the primary government without equivalent flows of assets in return and without a requirement for payment.

##### I. Interfund Balances.

Interfund receivables and payables have been eliminated from the government-wide Statement of Net Position, except for residual amounts due between governmental and business-type activities, which are reported on the government-wide Statement of Net Position as "Internal Balances". Fiduciary funds' receivables and payables have been reclassified to other receivables and other payables, respectively, on the government-wide Statement of Net Position.

Transactions between funds that represent short-term lending/borrowing arrangements and transactions for which the actual transfer of cash had not occurred as of year-end are reported as "Due To/From Other Funds" on the fund financial statements. Noncurrent portions of interfund receivables and payables are reported as "Advances To/From Other Funds". These noncurrent amounts are offset by a nonspendable fund balance account in the General Fund, if applicable, to indicate that they are not available financial resources. However, this is not applicable to advances reported in other governmental funds, which are reported, by definition, as restricted, committed or assigned.

# MONROE COUNTY

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

### J. Capital Assets.

Capital acquisition and construction are reflected as expenditures in Governmental Fund statements and the related assets are reported as capital assets in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are stated at historical cost where records are available and at an estimated historical cost where no records exist. Capital assets include significant amounts of infrastructure which have been valued at estimated historical cost. The estimated historical cost was based on replacement cost multiplied by the consumer price index implicit price deflator for the year of acquisition. The extent to which the costs of 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.

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

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

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

\* The estimated useful life for intangible assets includes right to use equipment and buildings. These assets are included as a total and are amortized over the life of the equipment/building or the estimated useful life of the equipment/building, whichever is shorter. The term "depreciation" includes the amortization of these intangible assets.

### K. Deferred Outflows/Inflows of Resources.

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

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

## MONROE COUNTY

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

#### L. Pensions.

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

#### M. Long-term Debt.

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 equipment loans agreements and other commitments.

Debt proceeds, premiums and discounts are reported as other financing sources in the governmental fund financial statements. In the government-wide financial statements, bond premiums and discounts, as well as refunding charges (the difference between the carrying amount of redeemed/defeased debt and its reacquisition price), are deferred and amortized over the life of the bonds using the effective interest method. Bonds, equipment loans, and other loans payable are reported net of the applicable unamortized premium and discount while refunding charges are reported as deferred outflows or deferred inflows of resources. Issuance costs are recognized as debt service expenditures/expenses in the period incurred. In the fund financial statements, the face amount of the debt issued is reported as other financing sources.

#### N. Compensated Absences.

County policy authorizes payment for a maximum of 30 days accrued personal leave in a lump sum upon termination of employment. No payment is authorized for accrued major medical leave.

The County's obligation of accumulated personal leave, up to the maximum of 30 days per employee, is reported as "compensated absences" in the government-wide financial statements, as well as the proprietary fund financial statements. In the governmental fund financial statements, only amounts that have matured at year-end due to the termination of employment of a covered employee are reported.

#### O. Leases.

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

The County used the Federal Prime Borrowing Rate in effect at the date of the lease inception (3.3%) to calculate the present value of lease payments when the rate implicit in the lease is not known when the County is the lessee.

The County used the Federal Prime Borrowing Rate in effect at the date of the lease inception (3.3%) to calculate the present value of rent receipts when the rate implicit in the lease is not known when the County is the lessor.

See Note 11 for details.



## MONROE COUNTY

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

#### P. Net Position/Fund Balance.

The difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources is reported as Net Position on the government-wide and Proprietary Funds financial statements and as Fund Balance on the Governmental Funds financial statements.

GAAP requires that Net Position be subdivided into three categories:

Net investment in capital assets - capital assets net of accumulated depreciation and related deferred outflows of resources reduced by outstanding balances for bonds, notes and other debt net of unspent debt proceeds and related deferred inflows of resources that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position - assets and deferred outflows of resources less any related liabilities and deferred inflows of resources that are restricted externally by creditors, grantors, contributors or imposed by law through constitutional provision or enabling legislation.

Unrestricted Net Position - the net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources that is not classified as net investment in capital assets or restricted net position.

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

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 Balances are classified as:

Nonspendable - amounts that cannot be spent because they are not in a spendable form (not expected to be converted to cash) or are legally required to be maintained intact. Examples include inventories and advances.

Restricted - amounts where legally enforceable constraints are imposed by an external party such as a grantor, or by the constitution, or by the Board of Supervisors at the same time the revenue is created.

Unassigned - the residual amount of the General Fund, which is the only fund that reports a positive unassigned fund balance.

When an expenditure is incurred for purposes in which all classifications of spendable fund balance are available, it is the County's general policy to use fund balances in the following order: restricted and unassigned.

#### Q. 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.

## MONROE COUNTY

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

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

Real and personal property tax revenues are recognized in the year for which they are levied in accordance with GAAP. However, because the revenues are not currently available, a deferred inflow of resources is recorded for this amount. Motor vehicle and mobile home taxes do not meet the GAAP measurability and collectability criteria because the lien and due date cannot be established until the date of original purchase. Accordingly, no amount is accrued for these taxes in the financial statements.

#### R. 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.

#### S. Changes in Accounting Standards.

The Governmental Accounting Standards Board GASB 87, *Leases*, and Implementation Guide No. 2019-3, *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 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This guidance is intended to enhance the accountability, consistency and comparability of lease activities reported by governments.

#### (2) Deposits and Investments.

##### Deposits

The carrying amount of the County's total deposits with financial institutions at September 30, 2022, was \$39,060,936, and the bank balance was \$39,553,783. Section 27-105-5, Miss. Code Ann. (1972), authorizes the State Treasurer to implement a statewide collateral pool program which secures all local public funds' deposits through a centralized system of pledging securities to the State Treasurer. The program requires the State Treasurer as pledgee of all public funds to monitor the security portfolios of approved financial institutions and ensure public funds are adequately secured.

**Custodial Credit Risk** - Custodial credit risk for deposits is the risk that in the event of the failure of a financial institution, the County would 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 managing custodial credit risk and relies on the program implemented by the State Treasurer as described in the preceding paragraph for all deposits in excess of FDIC coverage. The County does not have a formal policy for custodial credit risk. Of the amounts reported as deposits, the County had certificates of deposits totaling \$14,550,000 with a maturity of less than one year and were held by County depositories and collateralized with funds held in custody by the State Treasurer.

## MONROE COUNTY

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

#### Investments

As provided in Section 91-13-8, *Mississippi Code of 1972 Annotated*, the following investments of the County are handled through a trust indenture between the County and the trustee, with the funds to be used for construction and maintenance of County roads and bridges.

The fair value hierarchy prioritizes the inputs used to measure fair value into three broad Levels (Levels 1, 2 and 3), moving from quoted prices in active markets in Level 1 to unobservable inputs in Level 3.

Level 1 inputs include U. S. government and agency securities, foreign government debt, listed equities and money market securities.

Level 2 inputs include corporate bonds (investment grade, high yield), mortgage-backed securities, bank loans, loan commitments, less liquid listed equities, municipal bonds and certain OTC derivatives.

Level 3 inputs include distressed debt, private equity, exotic or non-standard derivatives.

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

<u>Investment Type</u>	<u>Maturities</u>	<u>Fair Value Level</u>	<u>Fair Value</u>
Treasury Bill	12/01/2022	1	\$ 396,751
Treasury Bill	11/01/2022	1	392,851
Money-Market Securities	Less than one year	1	250,000
Money-Market Securities	Less than one year	1	617,094
Treasury Note	12/31/2022 - 04/30/2024	1	<u>7,003,862</u>
			<u>\$ 8,660,558</u>

**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 Treasuries, as noted in the above Schedule of Investments. The money-market securities are accounts that hold securities for a short period of time until the funds are reinvested. These investments are 100% of the County's total investments and are reported in the Road Construction Bonds 2022 Fund.

**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.

**Credit Risk.** State law limits investments to those authorized by Sections 19-9-29 and 91-13-8, *Mississippi Code of 1972, Annotated*. 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. All of the County's investment, \$8,660,558 of underlying securities were held in trust accounts by the investment's counterparty on behalf of the County, in the name of the County.

# MONROE COUNTY

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

### (3) Intergovernmental Receivables.

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

Description	Amount
Governmental Activities:	
Reimbursement for housing prisoners - Amory	\$ 5,224
Reimbursement for housing prisoners - Nettleton	5
Reimbursement for housing prisoners - Smithville	5
Reimbursement for housing prisoners - State of Mississippi	13,560
State of Mississippi - MEMA	54,123
State of Mississippi - Legislative tag credit	292,764
State of Mississippi - CMRSB	24,152
Total	<u>\$ 389,833</u>

### (4) Financed Sales.

The County has financed the sale of the following property with the varying terms as of September 30, 2022:

On October 31, 2018, Monroe County entered into an agreement with Homestretch, Inc. for the sale of land valued at \$43,555. The agreement stipulated that the purchaser would pay \$450.27 per month, commencing November, 2018 for a term of ten years. At that time, Homestretch, Inc. has the option to purchase the land for \$100. At September 30, 2022, the principal balance was \$28,046.

The County financed the sale of the following property with varying terms and options as of September 30, 2022:

Classes of Property	Amount
Land	\$ 43,555
Total	<u>\$ 43,555</u>

The net present value of the financed sale as of September 30, 2022 are as follows:

Year Ended September 30:	Principal	Interest
2023	\$ 4,241	806
2024	4,385	662
2025	4,517	530
2026	4,657	390
2027	4,800	247
2028-2029	5,446	100
Total	<u>\$ 28,046</u>	<u>2,735</u>

MONROE COUNTY

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

(5) Capital Assets.

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

Governmental Activities

	Balance Oct. 1, 2021	Increases	Decreases	Adjustments	Balance Sept. 30, 2022
Capital assets, not being depreciated:					
Land	\$ 1,609,987	100,000	(42,875)		1,667,112
Construction in progress		47,486		2,934,269	2,981,755
Total capital assets, not being depreciated	1,609,987	147,486	(42,875)	2,934,269	4,648,867
Capital assets, being depreciated:					
Buildings	16,411,245				16,411,245
Improvements other than buildings	3,300,988				3,300,988
Mobile equipment	13,064,518	682,487	(274,034)		13,472,971
Furniture and equipment	1,671,457	808,399	(51,915)		2,427,941
Intangible right to use assets					
Equipment		45,354		41,961 *	87,315
Buildings		125,504		191,570 *	317,074
Infrastructure	117,230,876			(2,934,269)	114,296,607
Total capital assets being depreciated	151,679,084	1,661,744	(325,949)	(2,700,738)	150,314,141
Less: Accumulated depreciation for:					
Buildings	7,428,005	256,174			7,684,179
Improvements other than buildings	1,588,847	71,729			1,660,576
Mobile equipment	9,530,378	862,791	(234,211)		10,158,958
Furniture and equipment	1,418,783	62,977	(46,724)		1,435,036
Intangible right to use assets					
Equipment		31,313			31,313
Buildings		98,443			98,443
Infrastructure	74,998,722	418,325			75,417,047
Total accumulated depreciation	94,964,735	1,801,752	(280,935)	0	96,485,552
Total capital assets, being depreciated, net	56,714,349	(140,008)	(45,014)	(2,700,738)	53,828,589
Governmental activities capital assets, net	\$ 58,324,336	7,478	(87,889)	233,531	58,477,456

(Continued)

MONROE COUNTY

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

Business-type Activities

	Balance Oct. 1, 2021	Increases	Decreases	Adjustments	Balance Sept. 30, 2022
Capital assets, not being depreciated:					
Land	\$ 186,111				186,111
Total capital assets, not being depreciated	186,111	0	0	0	186,111
Capital assets, being depreciated:					
Mobile equipment	4,320,391	750,538	(64,178)		5,006,751
Furniture and equipment	26,209				26,209
Intangible right to use assets:					
Equipment				638 *	638
Total capital assets being depreciated	4,346,600	750,538	(64,178)	638	5,033,598
Less: Accumulated depreciation for:					
Mobile equipment	3,312,812	323,750	(57,760)		3,578,802
Furniture and equipment	23,588				23,588
Intangible right to use assets:					
Equipment		319			319
Total accumulated depreciation	3,336,400	324,069	(57,760)	0	3,602,709
Total capital assets, being depreciated, net	1,010,200	426,469	(6,418)	638	1,430,889
Business-type activities capital assets, net	\$ 1,196,311	426,469	(6,418)	638	1,617,000

\* These adjustments are to record leases related to Intangible Right to Use Assets that were in place on October 1, 2021, and are associated with liabilities that are included in the Schedule of Long-term Debt. See Note 9.

Depreciation expense, which includes the amortization of Intangible Right to Use Assets, was charged to the following functions:

Governmental activities:	
General government	\$ 149,256
Public safety	554,397
Public works	959,340
Health and welfare	114,703
Conservation of natural resources	24,056
Total governmental activities	\$ 1,801,752
Business-type activities:	
Solid waste	\$ 324,069

## MONROE COUNTY

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

#### (6) Deferred Outflows of Resources.

The County reports the following items in this category:

Government-wide Statement of Net Position/Proprietary Fund Statement of Net Position

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. Refer to Note 7 for additional details.

#### (7) Defined Benefit Pension Plan.

General Information about the Pension Plan.

**Plan Description** - Monroe County is a member of the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing multiple-employer defined benefit pension plan as defined in GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Membership in PERS is a condition of employment and is granted upon hiring for qualifying employees and officials of the County. Code Section 25-11-15, Miss. Code Ann. (1972), grants the authority for general administration and proper operation of PERS to the PERS Board of Trustees (PERS Board). PERS issues a publicly available Comprehensive Annual Financial Report that can be obtained at [www.pers.ms.gov](http://www.pers.ms.gov).

**Benefits Provided** - 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 2.00% 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 2.50% for each additional year of credited 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. A member may elect a reduced retirement allowance payable for life with the provision that, after death, a beneficiary receives benefits for life or for a specified number of years. 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. In the event of death prior to retirement of any member whose spouse and/or children are not entitled to a retirement allowance, the deceased member's accumulated contributions and interest are paid to the designated beneficiary. Benefit provisions are established by Section 25-11-1 et seq., Miss. Code Ann. (1972), and may be amended only by the State Legislature.

A Cost of Living Adjustment (COLA) is made to eligible retirees and beneficiaries. The COLA is equal to 3 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 percent compounded for each fiscal year thereafter.

# MONROE COUNTY

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

Contributions - Per Chapter 11 of Title 25, Miss. Code Ann. (1972), contribution requirements of plan members and their employers are established and may be amended only by the Mississippi Legislature. The adequacy of these rates is assessed annually by actuarial valuation. For the year ended September 30, 2022, member employees were required to contribute 9.00 percent of their annual pay, while the County's required contribution rate was 17.40 percent of annual covered payroll. The County's employer contributions to PERS for the years ended September 30, 2022, 2021 and 2020 were \$1,430,305, \$1,364,871 and \$1,313,018, respectively. The contributions for each year met the required contributions.

### Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions.

At September 30, 2022, Monroe County reported a liability of \$24,213,768 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the County's reported proportionate share was .117636 percent. The County's June 30, 2021 reported proportionate share was .116976 percent. The County's 2022 proportionate share was an increase of 0.000660 percent from the proportionate share used to calculate the September 30, 2021 net pension liability, which was based on the measurement date of June 30, 2021.

For the year ended September 30, 2022, Monroe County recognized pension expense of \$2,516,572.

At September 30, 2022, Monroe County reported as a component of pension expense, deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources
Difference between expected and actual experience	\$ 340,018
Net difference between projected and actual earnings on pension plan investments	1,263,193
Changes of assumptions	832,762
Changes in proportion and differences between county contributions and proportionate share of contributions	585,699
County contributions subsequent to the measurement date	362,818
Total	\$ <u>3,384,490</u>

\$362,818 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.



# MONROE COUNTY

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

Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended September 30:</u>	<u>Deferred Outflows of Resources</u>
2023	\$ 1,086,499
2024	791,595
2025	(170,328)
2026	<u>1,313,906</u>
Total	\$ <u><u>3,021,672</u></u>

Actuarial Assumptions. The total pension liability as of June 30, 2022 was determined by an actuarial valuation prepared as of June 30, 2021, and by the investment experience for the fiscal year ending June 30, 2022.

The following actuarial assumptions are applied to all periods included in the measurement:

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

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

The actuarial assumptions used for the purposes of determining the total pension liability were based on the results of an actuarial experience study for the 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 lognormal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

# MONROE COUNTY

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

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

Asset Class	Target Allocation		Long-term Expected Real Rate of Return	
Domestic Equity	25.00	%	4.60	%
International Equity	20.00		4.50	
Fixed Income	18.00		1.40	
Global Equity	12.00		4.85	
Real Estate	10.00		3.65	
Private Infrastructure	2.00		4.00	
Private Credit	2.00		4.00	
Private Equity	10.00		6.00	
Cash Equivalents	1.00		(.10)	
Total	100.00	%		

Discount Rate. The discount rate used to measure the total pension liability was 7.55%. 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 of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.

The following table presents Monroe County's proportionate share of the net pension liability of the cost-sharing plan, calculated using the discount rate of 7.55%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.55%) or 1-percentage-point higher (8.55%) than the current rate:

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
County's proportionate share of the net pension liability	\$ 31,601,440	\$ 24,213,768	\$ 18,123,007

**Pension Plan Fiduciary Net Position** - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS Comprehensive Annual Financial Report, publicly available at [www.pers.ms.gov](http://www.pers.ms.gov).

# MONROE COUNTY

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

### (8) Risk Management.

#### Workers' Compensation Benefits.

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 with a one-time \$750,000 deductible, which 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.

#### Health and Accident Benefits.

The County is exposed to risk of loss relating to employee health, accident and dental coverage. Through June 30, 2021, the County addressed its exposure to these risks by purchasing insurance through a private insurance carrier. On July 1, 2021, Monroe County reinstituted its self-insurance plan with the County paying into the plan for all active employees. Employees may purchase additional or dependent coverage and pay the additional premium through a payroll deduction. Insurance is not available for retirees.

The County is subject to risk of loss from catastrophic claims. Because of this, the County has maintained the following plans to minimize this potential loss:

The County has purchased coinsurance which functions on two separate stop loss coverages: specific and aggregate. These coverages are purchased from an outside commercial carrier. For the current fiscal year, the specific coverage begins when an individual participant's claim exceeds \$70,000, and the aggregate policy covers all submitted claims in excess of \$1,071,536.

The County has collected an additional charge for expected future catastrophic losses. This additional charge has resulted in the Internal Service Fund's \$995,665 net position at September 30, 2022, being designated for future catastrophic losses.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). At September 30, 2022, the amount of these liabilities was \$152,714. An analysis of claims activities is presented below:

		Beginning of Fiscal Year Liability	Current Year Claims and Changes in Estimates	Claims Payments	Balance at Fiscal Year-End
2019-2020	\$	200,137	1,171,529	1,366,690	4,976
2020-2021	\$	4,976	216,889	137,353	84,512
2021-2022	\$	84,512	1,076,676	1,008,474	152,714

# MONROE COUNTY

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

### (9) Long-term Debt.

Long-term Debt Outstanding at September 30, 2022:

General Obligation Bonds - General obligation bonds are issued to provide funds for the acquisition and construction of major capital facilities and are backed by the full faith, credit and taxing power of the County. The County levies a tax on all taxable property in the County in an amount adequate to meet the required principal and interest payments on the bonds.

Equipment Loans - The County has entered into numerous agreements to finance the purchase of certain equipment as described below. The terms vary, but all agreements include a cancellation clause based on unavailability of funds.

Leases - The County has entered into numerous non-cancellable leases for copiers and buildings. These leases have terms of three to ten years. For each of these leases, the County has recognized an intangible right to use asset. These leases are initially measured at the present value of payments expected to be made.

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

Description and Purpose	Amount Outstanding	Interest Rate	Final Maturity Date
Governmental Activities:			
A. General Obligation Bonds:			
Road and bridge bonds of 2022	\$ 10,000,000	2.75%	08/01/2032
Total General Obligation Bonds	\$ 10,000,000		
B. Equipment Loans:			
Four dump trucks	\$ 397,687	3.64%	07/18/2023
Paver	47,829	3.64%	09/01/2023
Sheriff's Office vehicles - eleven	177,705	2.41%	02/01/2024
Sheriff's Office vehicles - three	36,291	2.41%	11/01/2023
Emergency operations equipment	170,463	2.41%	09/23/2026
Fire equipment	687,285	2.21%	01/12/2027
Total Equipment Loans	\$ 1,517,260		
C. Leases:			
Intangible Right to Use Assets - equipment	\$ 55,685	3.30%	09/30/2025
Intangible Right to Use Assets - building	223,225	3.30%	09/30/2025
Total Intangible Right to Use Assets	\$ 278,910		
Business-type Activities:			
A. Equipment Loan:			
Tractor	\$ 282,567	2.41%	04/07/2026
B. Leases:			
Intangible Right to Use Assets - equipment	\$ 329	3.30%	09/30/2023

# MONROE COUNTY

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

**Legal Debt Margin** - The amount of debt, excluding specific exempted debt that can be incurred by the County is limited by state statute. Total outstanding debt during a year can be no greater than 15% of assessed value of the taxable property within the County, according to the then last completed assessment for taxation. However, the limitation increases 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 2.78% of the latest property assessments.

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

	Balance Oct. 1, 2021	Additions	Reductions	Adjustments	Balance Sept. 30, 2022	Amount due within one year
Governmental Activities:						
Compensated absences	\$ 612,186	46,271			658,457	
General obligation bonds	390,000	10,000,000	390,000		10,000,000	834,000
Less: Discount	(1,113)		(1,113)			
Leases		170,858	125,479	233,531 *	278,910	124,865
Equipment loans	928,487	997,880	409,107		1,517,260	803,211
Total	\$ 1,929,560	11,215,009	923,473	233,531	12,454,627	1,762,076
Business-type Activities:						
Compensated absences	\$ 52,432		4,388		48,044	
Leases			309	638 *	329	329
Equipment loans		313,869	31,302		282,567	76,420
Total	\$ 52,432	313,869	35,999	638	330,940	76,749

Compensated absences will be paid from the fund from which the employees' salaries were paid, which are generally, the General Fund, the E-911 fund, the countywide road maintenance fund and the solid waste fund.

\* These adjustments are to record liabilities associated with Intangible Right to Use Assets that are included in the Schedule of Capital Assets. See Note 5.

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

Governmental Activities: Year Ending September 30:	General Obligation Bonds		Equipment Loans	
	Principal	Interest	Principal	Interest
2023	\$ 834,000	330,000	803,211	32,922
2024	911,000	252,065	248,529	13,135
2025	937,000	227,012	202,835	8,377
2026	962,000	201,245	207,451	3,760
2027	989,000	174,790	55,234	254
2028-2032	5,367,000	450,751		
Total	\$ 10,000,000	1,635,863	1,517,260	58,448

(Continued)

# MONROE COUNTY

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

Year Ended September 30:	Leases	
	Principal	Interest
2023	\$ 124,865	7,332
2024	118,412	3,365
2025	35,633	675
Total	<u>\$ 278,910</u>	<u>11,372</u>

### Business-type Activities:

Year Ending September 30:	Equipment Loans		Leases	
	Principal	Interest	Principal	Interest
2023	\$ 76,420	5,969	329	6
2024	78,282	4,107		
2025	80,189	2,200		
2026	47,676	384		
Total	<u>\$ 282,567</u>	<u>12,660</u>	<u>329</u>	<u>6</u>

### Prior Year Defeasance of Debt:

In July, 2020, the Board of Supervisors determined that sufficient funds were available to pay the outstanding balance of the 2019A and 2019B Hospital Refunding Bonds which totaled \$1,885,000. Because these bonds did not have a call feature, the Board authorized the establishment of an irrevocable trust to place the funds necessary to pay the debt service on the bonds as they matured. At September 30, 2022, the outstanding principal balance of the bonds were \$1,295,000 and the balance in the trust was \$1,389,604.

### (10) Deferred Inflows of Resources.

The County reports the following items in this category:

#### Government-wide Statement of Net Position:

- Property tax for future reporting period. This item results from recording a receivable for property tax revenue when the revenue will not be available until a future reporting period.
- 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. Refer to Note 7 for additional details.
- Unearned interest on financed sales. This item represents the interest portion of the financed sale that is not currently available. This amount will be recognized as it becomes available over the life of the related financing agreement.
- Deferred inflows of resources related to leases - This amount represents the unamortized portion of the net present value of the leases.

## MONROE COUNTY

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

#### Governmental Funds Balance Sheet:

- Property tax for future reporting period. This item results from recording a receivable for property tax revenue when the revenue will not be available until a future reporting period.
- Unavailable revenue - fines. This amount represents the portion of fines receivable that does not meet the *current financial resources* criteria, and accordingly, will not be available until a future reporting period.
- Unavailable revenues – financed sales. This amount represents funds that do not meet the *current financial resources* criteria, and accordingly, will not be available until a future reporting period.
- Unavailable revenue -leases - This amount represents the unamortized portion of the net present value of the leases.

#### (11) Leases.

##### As Lessee:

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

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

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

The County, acting as lessee, has entered into nineteen leases for copiers and three leases for buildings and office space. These leases have terms of three to five years for the copiers and four to ten years for the buildings and office space. Details of the lease obligations can be found in Note 9.

##### As Lessor:

The County acting as the lessor, has five leases of county-owned land and buildings for industrial, agricultural and personal use. These leases are for periods of three to ten years. Each lease has an option to renew but there is no guarantee these options will be exercised.

# MONROE COUNTY

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

The County uses the Federal Prime Borrowing Rate at lease inception to calculate the present value of lease rental payments since a rate implicit in the leases is not a part of the lease contract. The County's financial statements have not been restated nor has a cumulative effect been reflected for the restatement of the beginning net position of the County.

The total amount of inflows recognized in the reporting period from these leases is \$125,145. The County has included in its financial statements at year-end the net present value of future lease payments as a lease receivable and as deferred inflows of resources. The amount of deferred inflows of resources related to leases for the fiscal year was \$816,105.

Net Present Value of Future Rental Revenues - Leases at Balance Sheet Date September 30, 2022:

Year Ending September 30:	Principal	Interest	Total
2023	\$ 98,666	26,479	125,145
2024	93,637	23,223	116,860
2025	96,728	20,132	116,860
2026	99,920	16,940	116,860
2027	103,217	13,643	116,860
2028-2032	310,211	20,369	330,580
Total	<u>\$ 802,379</u>	<u>120,786</u>	<u>923,165</u>

### (12) Interfund Transactions and Balances.

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

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

Receivable Fund	Payable Fund	Amount
Countywide road maintenance	General Fund	\$ 103,188
Other governmental funds	General Fund	21,750
Solid waste	General Fund	2,577
Custodial funds	General Fund	31,278
Total		<u>\$ 158,793</u>

Amounts listed are the tax revenues, justice and circuit court fines and fees collected September, 2022

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

Receivable Fund	Payable Fund	Amount
General Fund	Internal service fund	\$ 103,904
Internal service fund	Countywide road maintenance	95,847
Total		<u>\$ 199,751</u>

This represents the amount owed by the countywide road maintenance fund for its pro-rata share of medical claims expenses and the amount owed to the General Fund for start-up costs.



# MONROE COUNTY

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

### C. Transfers In/Out:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
Other governmental funds	General Fund	\$ 400,000
Other governmental funds	Other governmental funds	<u>79,367</u>
Total		<u>\$ 479,367</u>

The purpose of the transfers was to provide funds for budgetary purposes and close accounts. The transfers were routine and consistent with the activities of the fund making the transfer.

### (13) Joint Venture.

The County participates in the following joint venture:

Monroe County is a participant with the City of Aberdeen in a joint venture, authorized by Section 41-13-15, Miss. Code Ann. (1972), to operate the Aberdeen-Monroe County Hospital. The joint venture was created to provide medical care and is governed by a board of directors, composed of five members; two appointed by the County, two appointed by the City of Aberdeen, and a fifth jointly appointed. Effective July 6, 2011, Monroe County and the City of Aberdeen authorized the execution of a lease agreement with Pioneer Health Service of Monroe County, Inc., for the Aberdeen-Monroe County Hospital and its related facilities. The lease agreement is for a term of ten years, with an option to renew. This lease is in the process of being renewed with the hospital paying the \$7,500 monthly rental through the date of this report.

### (14) Jointly Governed Organizations.

The County participates in the following jointly governed organizations:

Tombigbee Regional Library System operates in a district composed of the Counties of Choctaw, Clay, Monroe and Webster. The Monroe County Board of Supervisors appoints two of the five members of the library board of trustees. The County appropriated \$110,000 for maintenance and support of the library in fiscal year 2022.

Three Rivers Planning and Development District operates in a district composed of the Counties of Calhoun, Chickasaw, Itawamba, Lafayette, Lee, Monroe, Pontotoc and Union. The governing body is a 40-member board of directors, with five appointed by the Board of Supervisors of each member County. The County appropriated \$52,344 for maintenance and support of the district in fiscal year 2022.

Northeast Mental Health-Mental Retardation Commission operates in a district composed of the Counties of Benton, Chickasaw, Itawamba, Lee, Monroe, Pontotoc and Union. The board of commissioners consists of one appointee from each County's Board of Supervisors. The County appropriated \$46,000 for maintenance and support of the commission in fiscal year 2022.

Itawamba Community College operates in a district composed of the Counties of Chickasaw, Itawamba, Lee, Monroe and Pontotoc. The governing body is a 30-member board of trustees, with six appointed by the Board of Supervisors of each member County. Monroe County appropriated \$1,999,023 for maintenance and support of the college in fiscal year 2022.

Three Rivers Solid Waste Management Authority operates in a district composed of the Counties of Calhoun, Itawamba, Lafayette, Lee, Monroe, Pontotoc and Union and the Cities of Aberdeen, Amory, Fulton, New Albany, Oxford, Pontotoc and Tupelo. The authority is governed by a 14-member board, with one appointed by each member. The authority is fiscally independent of the members. Members are billed based on the

## MONROE COUNTY

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

volume of solid waste deposited.

Lift, Inc., operates in a district composed of the Counties of Calhoun, Chickasaw, Itawamba, Lafayette, Lee, Monroe, Pontotoc and Union. The Monroe County Board of Supervisors appoints one of the 24 members of the board of directors. The County did not receive a request for funding in fiscal year 2022.

#### (15) Related Organizations.

The Monroe County Board of Supervisors created districts to provide fire protection services to the County. The board appoints the commissioners of each district, but the County's accountability for the districts does not extend beyond making the appointments. Each district receives the avails of a two-mill tax levy on the real property in the district and an annual appropriation from the County in the amount of \$5,000. Monroe County appropriated \$42,765 for the operations of the four districts in fiscal year 2022. The districts are as follows:

<u>District</u>	<u>Enabling Legislation</u>	<u>Funding</u>
Cason Fire District	Section 19-5-151, Miss. Code Ann. (1972)	\$10,765
Sipsey River Fire District	Section 19-5-151, Miss. Code Ann. (1972)	\$ 6,636
Splunge Fire District	Section 19-5-151, Miss. Code Ann. (1972)	\$ 6,796
Wren Grading District	Section 19-5-223, Miss. Code Ann. (1972)	\$17,382

#### (16) Tax Abatements.

For the year beginning October 1, 2016, the Governmental Accounting Standards Board (GASB) implemented Statement No. 77, *Tax Abatement Disclosures*. This statement requires governmental entities to disclose the reduction in tax revenues resulting from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The Monroe County Board of Supervisors negotiates property tax abatements on an individual basis. Abatements are for five to ten years and are for economic development purposes. The County had tax abatement agreements with sixteen entities as of September 30, 2022.

## MONROE COUNTY

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

The County had three types of abatements, none of which provides for the abatement of school or state tax levies:

Sections 27-31-101 and 27-31-105, Miss. Code Ann. (1972)

All allowable property tax levies.

All allowable property tax levies except for countywide road fund tax levy.

There are sixteen companies that have tax abatements under these statutes.

Category	Percent of Taxes Abated During the Fiscal Year	Amount of Taxes Abated During the Fiscal Year
Construction and expansion of a manufacturing facility	79.5%	\$ 1,241,282

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.

(17) 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.

Investigations - In January, 2021, it was determined that funds had been misappropriated from the Sheriff's Office. An investigation was initiated by the Office of the State Auditor and as of the date of the report, there has been no final disposition of the investigation.

(18) Effect of Deferred Amounts on Net Position.

The governmental activities' unrestricted net position amount of (\$10,205,719) includes the effect of deferring the recognition of expenses resulting from a deferred outflow from pensions. A portion of the deferred outflow of resources related to pension in the amount of \$333,142 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 \$2,742,166 balance of deferred outflow of resources at September 30, 2022, will be recognized as pension expense and will decrease the unrestricted net position over the next four years.

The governmental activities' unrestricted net position amount of (\$10,205,719) includes the effect of deferring the recognition of income resulting from a deferred inflow from leases. The \$816,105 balance of deferred inflows of resources at September 30, 2022, will be recognized as an increase in rent income and will increase the unrestricted net position over the next nine years.

The governmental activities' unrestricted net position amount of (\$10,205,719) includes the effect of deferring the recognition of revenue resulting from financed sales. The \$2,735 balance of deferred inflows of resources at September 30, 2022, will be recognized as revenue and will increase the unrestricted net position over the next seven years.

## MONROE COUNTY

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

The business-type activities' restricted to public works net position amount of \$333,169 includes the effect of deferring the recognition of expenses resulting from a deferred outflow from pensions. A portion of the deferred outflow of resources related to pension in the amount of \$29,676 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 \$279,506 balance of deferred outflow of resources at September 30, 2022, will be recognized as pension expense and will decrease the unrestricted net position over the next four years.

#### (19) Subsequent Events.

GAAP requires the County to evaluate events that occur subsequent to the date of the Statement of Net Position but before the financial statements are issued (subsequent events). Such events that provide additional evidence with respect to conditions that existed as of the Statement of Net Position date are recognized in the accompanying financial statements. However, subsequent events that provide evidence with respect to conditions that did not exist at the Statement of Net Position date but arose subsequently, and are of such a nature that their disclosure is essential to the user's understanding of the financial statements, are required to be disclosed herein. Management of Monroe County evaluated the County's activity and events that occurred through February 24, 2023, and determined no events meet the disclosure requirements.

MONROE COUNTY

REQUIRED SUPPLEMENTARY INFORMATION

MONROE 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)
<b>REVENUES</b>				
Property taxes	\$ 9,919,605	9,919,605	9,720,081	(199,524)
Licenses, commissions and other revenue	530,845	530,845	548,524	17,679
Fines and forfeitures	431,250	431,250	443,035	11,785
Intergovernmental revenues	1,570,610	1,640,820	1,826,078	185,258
Charges for services	382,500	382,500	355,508	(26,992)
Interest income	12,850	12,850	10,498	(2,352)
Miscellaneous revenues	156,146	156,146	200,283	44,137
Total Revenues	<u>13,003,806</u>	<u>13,074,016</u>	<u>13,104,007</u>	<u>29,991</u>
<b>EXPENDITURES</b>				
Current:				
General government	5,295,941	5,685,540	5,406,895	278,645
Public safety	5,557,676	5,668,054	5,465,092	202,962
Public works	156,867	156,867	145,297	11,570
Health and welfare	262,976	283,675	291,769	(8,094)
Culture and recreation	125,500	127,500	182,000	(54,500)
Conservation of natural resources	205,722	183,022	139,987	43,035
Economic development and assistance	438,169	438,169	249,024	189,145
Debt service:				
Principal			129,585	(129,585)
Interest			5,981	(5,981)
Total Expenditures	<u>12,042,851</u>	<u>12,542,827</u>	<u>12,015,630</u>	<u>527,197</u>
Excess of Revenues Over (Under) Expenditures	<u>960,955</u>	<u>531,189</u>	<u>1,088,377</u>	<u>557,188</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	7,500	7,500	52,799	45,299
Compensation for loss of capital assets	7,075	7,075	20,184	13,109
Transfers in			19,141	19,141
Transfers out	(400,000)	(400,000)	(400,000)	
Total Other Financing Sources and Uses	<u>(385,425)</u>	<u>(385,425)</u>	<u>(307,876)</u>	<u>77,549</u>
Net Change in Fund Balance	575,530	145,764	780,501	634,737
Fund Balances - Beginning	<u>75,000</u>	<u>75,000</u>	<u>10,660,283</u>	<u>10,585,283</u>
Fund Balances - Ending	<u>\$ 650,530</u>	<u>220,764</u>	<u>11,440,784</u>	<u>11,220,020</u>

The accompanying notes to the required supplementary information are an integral part of this schedule.

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

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
<b>REVENUES</b>				
Property taxes	\$ 4,947,967	4,947,967	4,898,274	(49,693)
Road and bridge privilege taxes	470,949	470,949	451,256	(19,693)
Fines and forfeitures	100	100		(100)
Intergovernmental revenues	2,784,350	2,784,350	2,398,162	(386,188)
Charges for services	3,000	3,000		(3,000)
Interest income	5,500	5,500	3,336	(2,164)
Miscellaneous revenues	10,100	10,100	24,412	14,312
Total Revenues	<u>8,221,966</u>	<u>8,221,966</u>	<u>7,775,440</u>	<u>(446,526)</u>
<b>EXPENDITURES</b>				
Current:				
Public works	7,322,285	7,322,285	6,932,359	389,926
Debt service:				
Principal	109,085	109,085	109,084	1
Interest	18,381	18,381	18,379	2
Total Expenditures	<u>7,449,751</u>	<u>7,449,751</u>	<u>7,059,822</u>	<u>389,929</u>
Excess of Revenues Over (Under) Expenditures	<u>772,215</u>	<u>772,215</u>	<u>715,618</u>	<u>(56,597)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sales of assets	26,000	26,000	62,760	36,760
Total Other Financing Sources and Uses	<u>26,000</u>	<u>26,000</u>	<u>62,760</u>	<u>36,760</u>
Net Change in Fund Balance	798,215	798,215	778,378	(19,837)
Fund Balances - Beginning	<u>110,000</u>	<u>110,000</u>	<u>4,984,299</u>	<u>4,874,299</u>
Fund Balances - Ending	<u>\$ 908,215</u>	<u>908,215</u>	<u>5,762,677</u>	<u>4,854,462</u>

The accompanying notes to the required supplementary information are an integral part of this schedule.

MONROE COUNTY  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis)  
 American Rescue Plan Act  
 For the Year Ended September 30, 2022 - UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental revenues	\$ 3,376,119	3,376,119	3,423,644	47,525
Interest income	2,000	2,000	1,080	(920)
Total Revenues	<u>3,378,119</u>	<u>3,378,119</u>	<u>3,424,724</u>	<u>46,605</u>
EXPENDITURES				
Current:				
Public works		26,965	26,965	
Total Expenditures	<u>0</u>	<u>26,965</u>	<u>26,965</u>	<u>0</u>
Excess of Revenues Over (Under) Expenditures	<u>3,378,119</u>	<u>3,351,154</u>	<u>3,397,759</u>	<u>46,605</u>
Net Change in Fund Balance	3,378,119	3,351,154	3,397,759	46,605
Fund Balances - Beginning	<u>3,423,881</u>	<u>3,423,881</u>	<u>3,423,881</u>	<u>0</u>
Fund Balances - Ending	<u>\$ 6,802,000</u>	<u>6,775,035</u>	<u>6,821,640</u>	<u>46,605</u>

The accompanying notes to the required supplementary information are an integral part of this schedule.



MONROE COUNTY  
 Budgetary Comparison Schedule -  
 Budget and Actual (Non-GAAP Basis)  
 Road Construction 2022  
 For the Year Ended September 30, 2022 - UNAUDITED

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget Positive (Negative)
REVENUES				
Interest income	\$	1,458	1,458	0
Total Revenues	0	1,458	1,458	0
EXPENDITURES				
Current:				
Debt service:				
Bond issue costs		342,900	342,900	0
Total Expenditures	0	342,900	342,900	0
Excess of Revenues Over (Under) Expenditures	0	(341,442)	(341,442)	0
OTHER FINANCING SOURCES (USES)				
Proceeds from Long-term debt		10,000,000	10,000,000	0
Total Other Financing Sources and Uses	0	10,000,000	10,000,000	0
Net Change in Fund Balance	0	9,658,558	9,658,558	0
Fund Balances - Beginning	0	0	0	0
Fund Balances - Ending	\$ 0	9,658,558	9,658,558	0

The accompanying notes to the required supplementary information are an integral part of this schedule.

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

(Continued)

	2022	2021	2020	2019	2018
County's proportion of the net pension liability (asset)	0.117636 %	0.116976 %	0.112072 %	0.109692 %	0.110181 %
County's proportionate share of the net pension liability (asset)	\$ 24,213,768	17,289,565	21,695,837	19,296,987	18,326,374
County's covered payroll	\$ 8,098,448	7,777,736	7,462,586	7,140,940	7,035,664
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	298.992696 %	222.295601 %	290.7281337 %	270.2303 %	260.4782434 %
Plan fiduciary net position as a percentage of the total pension liability	59.93 %	70.44 %	58.97 %	61.59 %	62.54 %

\* 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. 68 was implemented for the fiscal year ending September 30, 2015, and until a full 10-year trend is compiled, the County has only presented information for the years in which information was available.

The notes to the required supplementary information are an integral part of this schedule.

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset)	0.107959 %	0.105046 %	0.102622 %	0.105192 %
County's proportionate share of the net pension liability (asset)	\$ 17,946,450	18,763,839	15,863,338	12,768,382
County's covered payroll	\$ 6,936,318	6,720,018	6,411,192	6,447,563
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	258.7316498 %	279.2230467 %	247.4319596 %	198.034234 %
Plan fiduciary net position as a percentage of the total pension liability	61.49 %	57.467727 %	61.703983 %	67.207687 %

\* 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. 68 was implemented for the fiscal year ending September 30, 2015, and until a full 10-year trend is compiled, the County has only presented information for the years in which information was available.

The notes to the required supplementary information are an integral part of this schedule.

MONROE COUNTY  
Schedule of the County's Contributions  
PERS  
Last 10 Fiscal Years \*  
For the Year Ended September 30, 2022 - UNAUDITED

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,430,305	1,364,871	1,313,018	1,155,955	1,119,789	1,099,219	1,066,214	1,019,179	970,776
Contributions in relation to the contractually required contribution	<u>1,430,305</u>	<u>1,364,871</u>	<u>1,313,018</u>	<u>1,155,955</u>	<u>1,119,789</u>	<u>1,099,219</u>	<u>1,066,214</u>	<u>1,019,179</u>	<u>970,776</u>
Contribution deficiency (excess)	\$ <u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
County's covered payroll	\$ 8,220,144	7,844,086	7,546,080	7,141,063	7,106,747	6,979,169	6,769,621	6,470,979	6,163,657
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	16.19%	15.75%	15.75%	15.75%	15.75%	15.75%

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

The accompanying notes to the required supplementary information are an integral part of this schedule.

MONROE COUNTY

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

(1) Budget.

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

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

B. Basis of Presentation.

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

C. Budget/GAAP Reconciliation.

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

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

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

	Governmental Fund Types			
	General Fund	Countywide Road Maintenance Fund	American Rescue Plan Act	Road Construction 2022
Net Change in Fund Balance - Budget (Cash Basis)	\$ 780,501	778,378	3,397,759	9,658,558
Increase (decrease):				
Net adjustments for revenue accruals	138,591	(101,877)		
Net adjustments for expenditure accruals	(79,083)	155,730	(189,948)	
Net adjustment for other financing sources/uses	(19,141)			
Net Change in Fund Balance GAAP Basis	\$ <u>820,868</u>	<u>832,231</u>	<u>3,207,811</u>	<u>9,658,558</u>

MONROE COUNTY

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

(2) Schedule of the County's Proportionate Share of the Net Pension Liability and Schedule of the County's Contributions.

A. Changes in Benefit Provisions.

2016

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

B. Changes of Assumptions.

2015

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

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

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

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

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

2016

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

2017

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

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

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

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

MONROE COUNTY

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

2019

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

For males, 112% of male rates from ages 18 to 75 scaled down to 105% for ages 80 to 119.  
For females, 85% of the female rates from ages 18 to 65 scaled up to 102% for ages 75 to 119.  
Projection scale MP-2018 will be used to project future improvements in life expectancy, generationally.

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

For males, 137% of male rates at all ages.  
For females, 115% of female rates at all ages.  
Projection scale MP-2018 will be used to project future improvements in life expectancy, generationally.

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

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

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

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

2021

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

For males, 95% of male rates up to age 60, 110% for ages 61 to 75, and 101% for ages above 77.  
For females, 84% of 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.

## MONROE COUNTY

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

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

For males, 97% of male rates at all ages.  
For females, 110% of female rates at all ages.  
Projection scale MP-2020 will be used to project future improvements in life expectancy, generationally.

The price inflation assumption was reduced from 2.75% to 2.40%.  
The wage inflation assumption was reduced from 3.00% to 2.65%.  
The investment rate of return assumption was changed from 7.75% to 7.55%.  
The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.  
Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.  
The percentage of active member disabilities assumed to be in the line of duty was increased from 9% to 12%.  
The percentage of active member deaths assumed to be in the line of duty was decreased from 6% to 4%.

#### Methods 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



## MONROE COUNTY

## OTHER INFORMATION

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

NAME	POSITION	COMPANY	AMOUNT
Ronnie Boozer	Chancery Clerk	Western Surety	\$100,000
Kay Watson	Inventory Control Clerk	Western Surety	\$75,000
Robert Prisock	County Administrator	Western Surety	\$100,000
Lillian White	Assistant Receiving Clerk	Western Surety	\$50,000
Mitzi Presley	Tax Assessor	Western Surety	\$50,000
Melanie Plunkett	Deputy Tax Assessor	Western Surety	\$10,000
Gussie Gardner	Deputy Tax Assessor	Western Surety	\$10,000
Kimberly Holloway	Deputy Tax Assessor	Western Surety	\$10,000
Kimberly Holloway	Assistant Receiving Clerk	Western Surety	\$50,000
Kerri Spann	Deputy Tax Assessor	Western Surety	\$10,000
Alysia Wright	Tax Collector	Western Surety	\$100,000
Jackie Baggett	Deputy Tax Collector	Western Surety	\$50,000
Kristie Coker	Deputy Tax Collector	Western Surety	\$50,000
Constance Frye	Deputy Tax Collector	Western Surety	\$50,000
Shauna Clark	Deputy Tax Collector	Western Surety	\$50,000
Donna Pearson	Deputy Tax Collector	Western Surety	\$50,000
Kristie Coker	Assistant Receiving Clerk	Western Surety	\$50,000
Jay Barnes	Receiving Clerk	Western Surety	\$75,000
Carl Cadden	Purchase Clerk	Western Surety	\$75,000
Angela Thompson	Assistant Purchase Clerk	Western Surety	\$50,000
Barbara Byrd	Justice Court Clerk	Western Surety	\$50,000
Shelia James	Justice Court Clerk	Western Surety	\$50,000
Lycia Justice	Justice Court Clerk	Western Surety	\$50,000
Lucinda Randall	Justice Court Clerk	Western Surety	\$50,000
Courtney Lann	Justice Court Clerk	Western Surety	\$50,000
Tina Morrow	Justice Court Clerk	Western Surety	\$50,000
Lesley Sullivan	Justice Court Clerk	Western Surety	\$50,000
Luchia Brown	Justice Court Clerk	Western Surety	\$50,000
William K. Crook	Sheriff	Western Surety	\$100,000
Donna Lucas	Assistant Receiving Clerk	Western Surety	\$50,000
Donna Lucas	Justice Court Clerk	Western Surety	\$50,000
Aaron Cherry	Justice Court Clerk	Western Surety	\$50,000
Tatum Savage	Justice Court Clerk	Western Surety	\$50,000
Evan Phillips	Justice Court Clerk	Western Surety	\$50,000
Sandra Stephens	Justice Court Clerk	Western Surety	\$50,000
Cynthia Myles	Justice Court Clerk	Western Surety	\$50,000
Crystal Cooper	Justice Court Clerk	Western Surety	\$50,000
Heather Fowlkes	Justice Court Clerk	Western Surety	\$50,000
Brittany Steinke	Deputy Circuit Clerk	Western Surety	\$50,000
Nancy Bishop	Deputy Circuit Clerk	Western Surety	\$50,000
Natoya Eddie	Deputy Circuit Clerk	Western Surety	\$50,000
Wanda Guin	Deputy Circuit Clerk	Western Surety	\$50,000
Wanda Guin	Assistant Receiving Clerk	Western Surety	\$50,000
Zoe Smith	Deputy Circuit Clerk	Western Surety	\$50,000
Dana Sloan	Circuit Clerk	Western Surety	\$100,000

(Continued)

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

NAME	POSITION	COMPANY	AMOUNT
Adrian Haynes	Justice Court Judge	Western Surety	\$50,000
Brandon Davis	Justice Court Judge	Western Surety	\$50,000
Sarah Cline Stevens	Justice Court Judge	Western Surety	\$50,000
Patrick Chism	Constable	Western Surety	\$50,000
Herbert Harris	Constable	Western Surety	\$50,000
Ron West	Constable	Western Surety	\$50,000
Michael Richardson	Supervisor District 1	Western Surety	\$100,000
Billy R. Richey	Supervisor District 2	Western Surety	\$100,000
Ruble West	Supervisor District 3	Western Surety	\$100,000
Fulton Ware	Supervisor District 4	Western Surety	\$100,000
Hosea Bogan	Supervisor District 5	Western Surety	\$100,000
Robert Bryan	Assistant Receiving Clerk	Western Surety	\$50,000
John Gurley	Coroner	Western Surety	\$5,000
Laura Lee	Assistant Receiving Clerk	Western Surety	\$50,000
Sheriff's Employees	Fidelity Bond	Western Surety	\$25,000

## MONROE COUNTY

## SPECIAL REPORTS

# Windham and Lacey, PLLC

## *Certified Public Accountants*

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### INDEPENDENT AUDITORS' 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  
Monroe County, Mississippi

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of Monroe County, Mississippi, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 24, 2023.

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

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

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 were not identified.

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

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

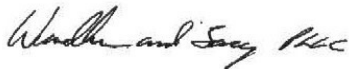
We noted certain matters that we reported to the management of Monroe County, Mississippi, in the Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedules and Limited Internal Control and Compliance Review Management Report dated February 24, 2023, included within this document.

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

Monroe County's responses to the findings identified in our audit are described in the accompanying Independent Accountant's Report on Central Purchasing System, Inventory Control System and Purchase Clerk Schedule and Limited Internal Control and Compliance Review Management Report. Monroe County's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

## **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 County'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 County'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.



Windham and Lacey, PLLC  
February 24, 2023

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### INDEPENDENT ACCOUNTANTS' 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  
Monroe County, Mississippi

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

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly included examining, on a test basis, evidence about the County's compliance with those requirements and performing other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the County's compliance with specified requirements. The Board of Supervisors of Monroe 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 the inherent limitations in any central purchasing system and inventory control system, errors or irregularities may occur and not be detected. Also, projection of any current evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with the procedures may deteriorate.

The results of our procedures disclosed a certain instance of noncompliance with the aforementioned code section. This instance of noncompliance was considered in forming our opinion on compliance. Our finding and recommendation and your response is disclosed below:

#### **Board of Supervisors / Purchase Clerk**

Purchase Clerk should be bonded as required by state statute.

<b>Repeat Finding</b>	No
<b>Criteria</b>	Section 31-7-124, Miss. Code Ann. (1972), requires the Purchase Clerk to be bonded for \$100,000, to be payable, conditioned and approved, as required by law.
<b>Condition</b>	It was noted the Purchase Clerk was bonded for \$75,000 in fiscal year 2022.
<b>Cause</b>	The County did not comply with state laws.
<b>Effect</b>	Failure to comply with state law would limit the recovery if a loss occurred.

**Recommendation**      The County should ensure the Purchase Clerk is properly bonded

**Views of Responsible**

**Official(s)**      We have taken the steps necessary to comply with state law.

In our opinion, except for the noncompliance referred to in the preceding paragraph, Monroe 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 Made from other than 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 of the purchasing system and, in our opinion, is fairly presented when considered in relation to the examination.

This report is intended for use in evaluating Monroe 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.



Windham and Lacey, PLLC  
February 24, 2023



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

Schedule 1

Our test results did not identify any purchases made from other than the lowest bidder:

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

Schedule 2

Our test results identified the following emergency purchase:

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>	<u>Reason for Emergency Purchase</u>
4/20/2022	Repairs to backup at 911 Office	\$ 1,157.50	Thompson Machinery	Replace heating unit on emergency power generator

## MONROE COUNTY

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

Our test results identified the following purchases made noncompetitively from a sole source:

<u>Date</u>	<u>Item Purchased</u>	<u>Amount Paid</u>	<u>Vendor</u>
1/24/2022	Law Enforcement Training Kits	\$ 36,000.00	KDL Solutions
3/1/2022	Control System Upgrade	\$ 13,800.00	Montgomery Technology Solutions

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### LIMITED INTERNAL CONTROL AND COMPLIANCE REVIEW MANAGEMENT REPORT

Members of the Board of Supervisors  
Monroe County, Mississippi

In planning and performing our audit of the financial statements of Monroe County, Mississippi, for the year ended September 30, 2022, we considered Monroe 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 Monroe County, Mississippi's financial reporting, we have performed some additional limited internal control and state legal compliance review procedures as identified in the State Legal Compliance Audit Program issued by the Office of the State Auditor. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the County's compliance with these requirements. Accordingly, we do not express such an opinion. This report does not affect our report dated February 24, 2023, on the financial statements of Monroe 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 that are opportunities for strengthening internal controls and operating efficiency. Our finding and recommendation and your response are disclosed below:

Chancery Clerk.

#### Finding

Section 19-3-27, Miss. Code Ann. (1972), requires the Chancery Clerk, as clerk of the Board of Supervisors, to maintain a complete and correct record of the proceedings of the board. The minutes of each day's proceedings shall be signed by the president or vice-president on or before the first Monday of the month following the day of adjournment and approved by the board as the first order of business on the first day of the next monthly meeting of the board. As of the date of fieldwork, the board minutes, while being approved by the board and signed by the board president, had not been booked and paged in the minute books of the County. There were several months that were not complete. This failure could invalidate the actions of the board.

### Recommendations

The Chancery Clerk should take immediate steps to get the board minutes current.

### Chancery Clerk's Response

I am taking action to bring the board minutes current.

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

This report is intended solely for the information and use of management, the Board of Supervisors and others within the County 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.



Windham and Lacey, PLLC  
February 24, 2023

MONROE COUNTY

SCHEDULE OF FINDINGS AND RESPONSES

MONROE COUNTY

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

Section 1: Summary of Auditors' Results

*Financial Statements:*

- |    |   |               |
|----|---|---------------|
| 1. | Type of auditors' report issued on the financial statements:                        | Unmodified    |
| 2. | Internal control over financial reporting:  |               |
| a. | Material weakness identified?   | No            |
| b. | Significant deficiency identified that is not considered to be a material weakness? | None reported |
| 3. | Noncompliance material to the financial statements?                                 | No            |

Section 2: Financial Statement Findings

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